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# ***JPRS Report***

## **Near East & South Asia**

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# Near East & South Asia

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## REGIONAL AFFAIRS

### Three Possible Conflict Scenarios for Gulf Considered

90AE0270A London AL-MAJALLAH in Arabic  
21 Aug 90 pp 6-9

[Article: "Three Scenarios for Blockade and for How Battle Will Occur; Air Force Is Decisive Element for Destroying Saddam's Army; Paralyzing Saddam's War Machine by Destroying Its Nerve Center; B-52 Bombers Will Strike Strategic Targets; Cruise Missiles Do Not Miss Their Target"]

[Text] Nobody wishes the war to break out. But if Iraq's rulers persist in their mad ventures and if they wish to tear the Arab world apart, then the military scenario will be different this time. Unlike the Kuwaiti forces, the Saudi forces are not small and simple. Rather, they are considered one of the region's strongest armies, especially by virtue of the training these forces have received and the sophisticated military equipment with which they have been supplied in recent years. Next to these forces are found the Egyptian, Syrian, and Moroccan forces that have arrived as part of the Arab League resolution which condemned the Iraqi invasion and warned of the consequences of the continuation of this invasion. There are also the international forces which enjoy obvious technological superiority.

Despite their vast numbers, estimated at a little less than one million troops, the Iraqi forces are not qualified to operate in the face of the Arab and international air superiority confronting them. It is not expected that Saddam's immense battalions will be destroyed in a long-drawn war in the desert. But military analysts have said that the air and naval forces gathering in the region now are enough to provide the force to strangle Saddam's capabilities in several months. The situation may dictate that Iraq be totally paralyzed with a series of crushing blows within one week.

There are three fundamental options available to the Saudi forces and Arab forces flowing into the Gulf. The air forces play the major role in these options.

The first scenario is to impose a simple blockade by applying the international economic sanctions approved by the Security Council. These may take weeks or months to create the desired effect.

The problem with imposing a long-term embargo is that this embargo will weaken the ordinary population that has become a hostage of the Iraqi Government in both Kuwait and in Iraq itself because of the expected shortage of food supplies.

The second scenario is to carry out air strikes to foil any Iraqi offensive. (Don Kerr), an analyst at the International Strategic Studies Institute, is cited as having said that Iraq's weak point militarily is logistics and supply. Even though Iraqi armors can move rapidly along the

open highways, they often encounter difficulties when they shift to the offensive. If the Arab aircraft present in the region are used, burnt out Iraqi tanks will remain in the desert sands until they rust away. It will be easy for the sophisticated U.S.-made F-14, F-15, and F-16 aircraft to achieve superiority over the Soviet-made Iraqi aircraft.

When Iraq invaded Iran in 1980, the invasion promptly lost its thrust and the main reason for this collapse was the Iraqi logistics and supply system. In the other eight years of the war, the combat took the form of Iranian human-wave attacks which the Iraqis repelled from behind well-fortified defenses. The Iraqis did not have aircraft such as the U.S. B-52 bombers which are capable of covering the entire battlefield with explosives and bombs.

The third scenario in case the Iraqis attack the Saudis is an immense and concerted military response. In case such a comprehensive offensive is launched, it will include strong strikes using the B-52 bombers, each of which is capable of carrying 100 bombs with a weight of 500 pounds each. This is in addition to the Tomahawk type of Cruise missiles carrying conventional heads. Iraq has no effective means of defense to counter the air-to-surface Cruise missiles. These missiles are highly accurate and have an error margin of no more than 30 meters over a distance of km 1,500.

The goal will be to paralyze Iraq's war machine by destroying its central nerve system. In this scenario, F-111's carry out a strike to neutralize Iraq's air defense system. These planes are specialized in infiltration at low altitudes and in carrying out precision bombing operations.

Some reports have said that aircraft of this type do carry out sorties from an air base in Turkey. Turkey has expressed its willingness to strike Iraq if the latter tries to invade its air space. Such invasion will happen only if Iraqi aircraft try to pursue U.S. aircraft into Turkish air space, which will mean Turkey's actual entry into the war. It is well known that the Turkish military force is superior to the Iraqi force and that Iraq will not be able to stand fast for long in the north if a confrontation actually happens.

If the U.S. forces will not use their aircraft that are deployed in Turkey, then the F-111's can be launched from European bases if NATO agrees to refueling them in flight. To prevent Iraq from using the modified Scud-8, Tomahawk missiles will be used to strike Iraq's missile-launching sites. Communication lines and water will be vital elements for Iraq. Successive strikes will be made against Iraq's bridges, roads, dams, airports, bases, electricity plants, fuel depots, and railroads.

One of the important targets will be Darbankhan Dam near the border town of Halabjah which witnessed the use of poisonous against Kurds during the war with Iran. This dam supplies most of the water and electricity Baghdad and the adjacent industrial zones need. It will

also be necessary to hit and close the expressway between Baghdad and al-Basrah Port, Iraq's outlet to the Gulf.

Analysts believe that in the final outcome, Iraq has committed a big folly by occupying Kuwait and that it will be committing an even bigger folly if it tries to invade the Kingdom of Saudi Arabia because it will be possible to tear apart Iraq as a state capable of survival within a week or 10 days at the most. This is the theoretical solution for the problem of subjugating Saddam's forces.

Don Kerr believes that Saudi Arabia and the Arab states must avoid at any price a land war with Iraq. In the area's climate where the temperatures rise above the boiling point, nobody other than the fittest troops and troops most adaptable to the Middle East climate can survive, let alone fight.

The most difficult problem facing the Arab forces will be the problem of keeping the supply lines open for their forces thousands of miles away in the desert. But the Saudi road network is modern and easy to use. Moreover, the desert land is mostly flat and there are no mountain obstacles.

### **Arab Nuclear Build-up Deemed Key to Regional Stability**

90AA0233A Cairo *LIWA' AL-ISLAM* in Arabic  
23 Jun 90 pp 33-35

[Commentary by Engineer Fathi Shihab-al-Din]

[Excerpts] In the opening session of the Arab summit held in Baghdad recently, a proposal was made that aimed at making the Middle East region free of nuclear, chemical, and biological weapons. In view of the danger of this proposal, because of the very idea of it, belief in it, and the ability to achieve it, before we deal with it, we will expose several erroneous perceptions that still prevail in Arab thinking, which were embedded in our feelings and awareness by Zionist propaganda, in order to clarify the picture. These perceptions are:

1. That the major nuclear states are committed to nuclear non-proliferation, and they consequently take a stand of wariness, if not rejection, toward Israel.
2. That the use of nuclear weapons is ultimately restrained by international considerations, and that neither the major powers nor world public opinion will permit the use of these weapons in the Middle East region.

Regarding the first point, it has been decisively shown that the major countries, headed by America and France, are Israel's basic supply source for nuclear reactors and advanced technology, which has ultimately led Israel to join the nuclear club, becoming the sixth nuclear power in the world. Regarding the second point, events have proven that international public opinion has no presence, and that it only becomes aroused when events

affect it, not when others are affected. In the Gulf War, for example, Baghdad was hit by missiles, as were a number of Iranian cities, but public opinion remained apathetic. Nor was public opinion moved when Israel struck the Iraqi nuclear reactor. [passage omitted]

### **Egypt and the Nuclear Deterrent**

The balance of nuclear fear in the region will not become stable unless the Arabs possess the atom bomb in some form or way. American author Steven Rosen states in his book "Nuclear Weapons and the Independence of the Middle East" that the Arab's acquisition of a nuclear bomb will actually be an important stabilizing factor in the balance of fear in the region, because neither the Arabs nor Israel will take a risk, because of the strategy of mutual assured destruction, MAD. Egypt is considered the Arab country that is capable of starting a nuclear program, because it possesses scientific abilities in this field in particular. As for material capabilities, Egypt is not poorer than Pakistan, which has been able to actually produce a nuclear bomb by means of the Kahuta reactor. The most significant factor that motivated Pakistan in this regard was India's nuclear tests in 1974, after which Pakistan's Prime Minister at the time, 'Ali Bhutto, announced that his country was prepared to eat tree leaves in order to start a nuclear program to counter India.

### **Thwarting of the Egyptian Nuclear Program**

The Supreme Nuclear Energy Uses Council, which is headed by the president, approved the start of a nuclear program in January 1986. Bids were invited internationally to start the program, and America was among the countries that submitted bids. It is worth mentioning that America conditioned the construction of a nuclear reactor in Egypt on Egypt's promise not to use the reactor and the material produced by it to produce atomic bombs, and on Egypt's ratification of the Nuclear Weapons Non-proliferation Treaty, whereby all of its nuclear installations would become subject to international inspection. Israel and America exerted great pressures to thwart the plan. They began a huge media campaign through news agencies, newspapers, and magazines coming from abroad in the form of warnings, reports, and films on nuclear fear. Then there was the Chernoble nuclear reactor accident, which Zionist and Western propaganda exploited to generate fear of the construction of new reactors, especially in Third World countries. Their efforts succeeded and bore fruit when an official in Egypt said that "we are not prepared for another Chernoble in Egypt" in response to a question about the fate of the Egyptian nuclear program. In this way, the Egyptian nuclear program was thwarted. Thus, Israel and America succeeded in ending Arab hopes of the presence of a nuclear deterrent by destroying the Iraqi nuclear reactor in June 1981, then thwarting the Egyptian nuclear project in 1986. [passage omitted]

### The Arab Missile Threat

The Arabs can pose an enormous missile threat to Israel. Iraq has succeeded in producing the al-Husayn missile, with a 500-km range. Iraq used this missile to end the Gulf War, especially by bombing Qom and Tehran. Iraq was also able to increase this missile's range to 900 km in an upgraded missile designated the Sayyidi al-'Abbas. Iraq recently announced that it launched a missile capable of placing a satellite in space, and that it succeeded in developing a ballistic missile with a range of 2,000 km. As for Egypt, experts are testing the Condor II Missile, whose range is 100 km. Regarding Saudi Arabia, it has purchased the newest Chinese missile, designated East Wind, whose range is 2,700 km, thus acquiring a deterrent force with an effective range extending from India to Europe, and from Central Africa to the Soviet Union.

The obvious facts and evidence show that the call for disarming the region is completely rejected, not by logic and reason alone, but also by our religion and creed, which prohibits us from disarming ourselves while the enemy occupies and desecrates our holy places. In addition, there is no power in the world that can disarm Israel. Israel's plan in this phase, which is well-known to the entire world, is to occupy Arab lands from the Nile to the Euphrates. As an Arab ruler said recently: Israel has established its plan on the basis of occupying the region from the Nile to the Euphrates, and if Israel decides [to do something], it does [it] (these remarks were made by an Arab ruler, a part of whose land Israel occupies). Recently Israel, going to scornful lengths, sent a metal coin to Baghdad during the latest summit conference. On one side of the coin is a map of the Zionist state from the Nile to the Euphrates. When the Arabs became incensed and protested to America, the American State Department sent a memo and requested that it be distributed to the Arab states participating in the summit to calm the situation.

The coming days will witness developments that are extremely dangerous to the entire region, especially in the light of the flow of Soviet Jews to Israel. This phase cannot tolerate the promotion of empty slogans and struggle by means of microphones and conferences that end without producing practical results.

Israel is not to be loved. Rather, it is a loathsome thing, from which the mountains withdraw. Hiroshima and Nagasaki are not far from us.

### Anis Mansur's Anti-'Arafat Editorials Criticized

90AE0248A Cairo AL-MUSAWWAR  
in Arabic3 Aug 90 pp 36-37

[Article by Raja' al-Nakkash: "Anis Mansur and the Palestinians"]

[Text] It seems that there is a kind of "love lost" between our friend, the great writer, Anis Mansur and the Palestinians. The proof is that Anis Mansur does not let a

chance pass without attacking the Palestinians, levelling against them the worst charges a people can face.

I do not know how this intense hatred for the Palestinians grew in Anis Mansur's heart. He is the first great Egyptian writer to declare his open animosity toward the Palestinians from the time the Palestinian question came into being until now.

Those who review Egyptian newspapers and magazines going back to the thirties find that the great Egyptian writers and intellectuals realized early on the importance of the Palestinian question and had the utmost sympathy for it. We read articles on Palestine by the great author Ahmad Hasan al-Zayyat published in 1933 on the front page of his pioneering magazine, AL-RISALAH, replete with warm sentiments and great awareness about the Palestinian tragedy and a sincere call to watch out for fierce international conspiracies lying in wait for this cause.

Also in the thirties, al-Mazini wrote many articles about Palestine. Al-Mazini visited Palestine at that time where he met with its authors, intelligentsia, and politicians who treated him with utmost respect. He received a warm welcome not only from the cultural media, but from the various popular milieus as well. This Palestinian reception mirrored the Palestinian's people's interest in Egypt and its various political, intellectual, and cultural activities. Al-Mazini returned from his tour to Palestine and his contacts with its leading personalities burning with enthusiasm for the Palestinian cause and with a deep conscious belief in it. This sentiment was reflected in his writings, for he did not let an opportunity pass without expressing his concern with this cause and warning about the many perils surrounding it.

As for al-'Aqqad, Anis Mansur's teacher and primary mentor, he had great interest in the Palestinian cause. He wrote a very valuable and important book about "World Zionism" in which he revealed many unknown pages about the Zionist conspiracy. In his book, al-'Aqqad was the very first intellectual in the entire world, not in the Arab nation alone, to disclose sensitive documents about the cooperation that existed between the Zionism and Naziism, substantiating the fact that Israel is still exaggerating the matter of Nazi persecution of the Jews to keep up the pressure on world conscience by insisting that Naziism killed 6 million Jews in gas furnaces and detention camps. To this day, Israel is still receiving reparations from Germany as a price for the tale of Jewish persecution at the hands of German Naziism. We had imagined that German unification would lead to some kind of German resistance to the reparation issue, but what happened was the opposite. For East Germany, who ever since WW II has rejected the story of Jewish persecution and refused to pay any reparations, has reversed its position in the wake of the communist order's downfall. It has apologized to Israel for its former stance and has decided to share in the reparations imposed on Germany.

What al-'Aqqad said over 40 years ago in his book "World Zionism" about the exaggeration of Nazi persecution of the Jews is being repeated now by European writers even though these writers are being subjected to merciless campaigns at the hands of the Jews and to ongoing wars against their livelihood, work and even personal security. They are being subjected to a great deal of terror and threats against their lives.

Indeed, theirs is a curious and striking phenomenon that is that al-'Aqqad's book, "World Zionism," has disappeared from the market though his other books are readily available. This book, however, disappears with amazing speed every time a new edition comes out.

I am not very inclined to believe contentions about the existence of forces fighting published books by buying them on the market to make it difficult for people to buy and read them.

Al-'Aqqad's book "World Zionism," however, confirms the existence of hidden fingers waiting to take this book out of circulation to stop people from reading it.

The only person who was late in expressing his sympathy with the Palestinian cause in the past generation was Taha Husayn. This is another subject worthy of study and analysis, and disclosure of the real reasons behind his tardiness, none of which are related to Taha's patriotism or genuine national sentiments. Taha Husayn had a sound nationalistic and patriotic conscience and is above reproach in this regard. This issue, however, must be studied carefully to ascertain why Taha Husayn fell behind his generation of great writers in expressing his sympathy with the Palestinian cause.

Thus, we find that for 60 years or more the Egyptian intellectual movement has been forcefully and maturely expressing its innermost sympathy with the Palestinians.

Then, the first generation was followed by succeeding generations that added strength and clarity to Egypt's position. Ever since 1948, the Egyptians have not been satisfied with words, but have sacrificed their blood for the sake of the Palestinian cause. Tens of thousands of martyrs in Egypt have given their lives for this cause. Ever since the Palestinian cause came into being in modern times, Egypt has been supporting Palestine with words, thoughts and blood. Egypt's unanimous support for the Palestinian cause in our intellectual history has not been violated by anyone, from the left or right, from Muslims or Copts.

So, where did our great writer Anis Mansur come up with this hatred for the Palestinians and their cause, a hatred he alone harbors among our contemporary writers of both the old and new generations?

This is an enigma for which I know no logical reason.

Of course, it must be said that the Palestinians are no angels. They can be right and they can be wrong, like any other human being. If some Palestinian politicians are quick to attack Egypt and its clear loyal policy toward the

Palestinian cause, during the Mubarak era in particular, these Palestinians ought to be confronted with their mistakes, debated with evidence and proof, and shown the error of their ways that cannot be approved or sanctioned.

But it is a fatal mistake to believe that these Palestinian individuals represent all of Palestine and that the entire Palestinian people are responsible for them.

For the holders of these opinions are political individuals, many of whom belong to known groups none of which represent the majority view of the Palestinian people. They are extremist groups that believe the only way to solve the Palestinian problem is through various forms of violence, from assassination to hijacking to commando attacks on Israeli civilians and military personnel.

These extremist Palestinian political groups are no longer accepted by Arab public opinion that now supports, in general, all efforts to solve the Palestinian problem by peaceful means.

The Palestinians cannot be responsible for the radical views and behavior of these political groups.

Anyone who wants to engage these extremist groups in a dialogue or attack them, has the right to do so, but these groups must be clearly identified and the attack aimed at them. But to attack the entire Palestinian people is a grave mistake rejected by reason, logic, and conscience.

This is what our great writer Anis Mansur is doing.

He is attacking "all" Palestinians because of what some Palestinian politicians, known for extremism and rejection of all peaceful solutions, are doing out of desperation and lack of confidence in the utility of such solutions.

Extremism is a phenomenon found among many peoples of the world, but can one condemn the whole world because of the extremist groups that exist in it?

Do we condemn and curse the Italian people because of the existence of the Red Brigades in Italian society? Do we condemn and curse the German people because of the existence of a neo-Nazi movement in their ranks? Do we condemn and curse the entire American people because of the extremist elements in Congress and other official establishments whose only concern is to help Israel and block all avenues before the Arabs?

Also, why do we not look at Israel itself? The extremists there occupy seats in the Knesset, form overt parties, and occupy high positions in government, including Shamir, Sharon, Kahan, and others who believe that the only future their country can have is by burying all Arabs in Palestine, seizing their homes and possessions, and destroying their historical sites, even the sacred ones.

These Israeli extremists attack Egypt every day and believe that peace with it is a crime against Israel. They view President Husni Mubarak as a "slow death" for Israel.

So why was our great writer not enraged by such Israeli extremism? Why doesn't he wage against Israel a vehement campaign like the one he is directing against the Palestinians though both sides have extreme positions with only one difference: Palestinian extremism is that of the "aggrieved" and Israeli extremism is that of the "despotic aggressor" against the rights of others.

This does not mean that I support or justify Palestinian extremism. I am clearly opposed to it and do not see any benefit in it for the Palestinian cause.

But I am asking the writers to be fair. For fairness in judgment and assessment is the primary fruit of intellectual honesty and a dishonest intellect is unworthy of serious consideration.

Honest and impartial writers must distinguish between Palestinian extremism and the Palestinian people. For extremism is bigotry and disorder in word, deed, and vision. As for the Palestinian people, they have been suffering for over seventy years from bitter injustice and successive catastrophes no world conscience or Arab effort has staved off. So what have these wounded people done to add to their many wounds that have been bleeding in front of our eyes? We have failed to find a remedy to stop or cure the bleeding.

If Anis Mansur is angry with Yasir 'Arafat, why doesn't he focus his attack on him alone without assailing the entire Palestinian people?

If Yasir 'Arafat did say what he was quoted as saying a few weeks ago against Egypt and the Egyptians, we are all against this attack and no one among us condones or approves of it. We all have the right to respond to Yasir 'Arafat and correct his opinions and statements if he has committed a wrong against Egypt and its history and national policy. But no one has the right to fault all Palestinians because of Yasir 'Arafat. Besides, Yasir 'Arafat himself has had many honorable and radiant stances toward Egypt and we have no good reason to throw his entire history behind our backs at the first disagreement with him. Yasir 'Arafat is not living under easy and uncomplicated political circumstances. Indeed, he is living in a whirlpool of painful and violent currents. These matters ought to be considered or else we would be like a man who kills his son and throws his body into the street on the pretext that he had a critical illness. All this is an unacceptable serious mistake. The mistakes of others cannot be remedied with more serious and more grisly mistakes.

Let us read what Anis Mansur wrote in the Saturday issue of AL-AHRAM last 21 July. He said:

"Yasir 'Arafat believes that if Husni Mubarak has espoused Bush's viewpoint that is the same as Shamir's,

al-Nahhas 60 years ago asked the Palestinians to leave the Wailing Wall for the Jews. So al-Nahhas beat him to the punch by asking the Palestinian people to 'Zionize' their land. However, they did not leave the wall, but rather sold the land and are still selling it and getting its price in Cairo. For most the capital of the 192 Palestinian millionaires in Egypt is Jewish-Israeli, according to information obtained by State Security and the intelligence service. We do not have anything to say! Even if we see them spitting on Egypt's soil, they are excused because they do not have a land and do not want anyone else to have a land."

This is precisely what Anis Mansur said.

If Yasir 'Arafat did indeed make the statements attributed to him, his words deserve a strong and violent response. For from the time it came into being until now, Husni Mubarak has been one of the most honorable defenders of the Palestinian cause and we, the Egyptian writers, in defending Husni Mubarak's position, must not be tolerant of any attack on his "Palestinian" position whatever the source. Also, the history of the national leader Mustafa al-Nahhas regarding the Palestinian cause and the Arab cause in general is a radiant stand and we must not keep silent about this kind of distortion. Al-Nahhas is part of our national history that is dear to Egypt's heart and mind.

But why should the entire Palestinian people bear responsibility for the opinion of one of their political leaders? And why do we respond to a specific mistake by accusing all Palestinians of selling their land and of being responsible for the establishment of Israel and the loss of Palestine?

This kind of talk cannot be tolerated because it is inconsistent with the truth and history. The loss of Palestine and the establishment of Israel were the result of an international conspiracy by the Great Powers, a conspiracy for which the Palestinian people are not responsible, but rather are its victims.

True, some Palestinians did sell their land and Palestinians themselves admit to that. But the matter of "selling the land" by some Palestinians cannot be treated this lightly. Also, there is not a shred of evidence that "selling the land" was an act committed by "all" Palestinians. Those who sold their land were a minority, some of whom were after personal gain and others were helpless and compelled to do it.

Most of the Palestinians are innocent of this charge. It is a charge no historian, scholar, or responsible national writer should raise against the "entire" Palestinian people. For the established scientific facts do not support this charge when it includes "all" Palestinians or even most of them.

Let us suppose, and it is a likely supposition, that some Palestinians have betrayed their homeland and sold their land by this logic. This does not in any way, shape, or form incriminate the Palestinian people. For all peoples



and all stages of history have had a traitor to his country. When Ahmad 'Urabi was fighting the British invasion of Egypt in 1882, one of his officers, 'Abd-al-Ghaffar Khan-fas, betrayed him by giving Egyptian military maps to the British that helped them defeat the Egyptians. Besides, Muhammad Sultan Pasha, a civilian leader of the 'Urabi revolution, committed treason when, during the battle, he joined the camp of Khedive Tawfiq and the British. So, do these examples of traitors give historians a justification to level charges against all Egyptians about their loyalty to their country?

This kind of talk is unspeakable because it is a grave and shameful mistake.

As for the matter of the 192 Palestinian millionaires, we have much to say about this.

First, since when do millionaires represent their people? All peoples have millionaires, some of whom are charitable and helpful to their communities and their people and some are money "worshippers" and only care about money. No one has ever said that millionaires are the ones who represent and speak for their people. And, if there are 192 errant Palestinian millionaires, the Palestinian population is about 4 million souls. So, do we incriminate 4 million people because of a wrong stand taken by no more than 192 persons?

Second, if Mr Anis Mansur has definite information about these millionaires and about the sources of their wealth, why does he not do the honorable thing: expose and unmask them so that their Palestinian people may condemn them before anyone else?

Third, the song about Palestinian millionaires so often played for the purpose of censure and ridicule is the wrong tune because the number of Jewish millionaires around the world is many times higher than that of Palestinian millionaires. The Zionist movement has been strongly and completely dependent on the "power of money" in carrying out its various designs. So, why do we advocate denying the Palestinians alone the use of "the power of money?" Let there be thousands of Palestinian millionaires. The important thing is for them to be loyal to their homeland and their cause and to get their wealth from honorable and licit sources. The Palestinians cannot achieve anything, no matter how small, unless they use the "power of money" as others have done.

This is what can be said of the issue of Palestinian millionaires.

About Anis Mansour's statement that the Palestinians do not have a soil, these are painful and offensive words no Arab writer should repeat because—as the popular expression goes, it is a kind of unacceptable taunting.

Finally, I would like to pause before the expressions our great writer Anis Mansur used at the end of this article. Anis said:

"Tell me Abu-'Ammar, how are you going to show your face in Cairo after 10 years? By God, Abu-'Ammar, and I do not have to swear to you, millions of Egyptians detest the Arab League's return to Egypt and detest more the fact that it is 100 meters away from the Nile, a long distance that makes it difficult for them to push the building into the Nile so as not to see your faces!"

Anis Mansur undoubtedly has the right to speak for himself and express his personal feelings. But to say that he speaks for millions of Egyptians, he is dead wrong because these millions have always supported Husni Mubarak's gracious and arduous efforts to restore relations between Egypt and the Arabs to their natural state and consider the Arab League's return to Egypt as a culmination of these noble efforts.

Perhaps Anis Mansur is ignorant of the fact that there are more than 4 million Egyptians working all over the Arab nation and that no less than 10 million Egyptians are supported by these 4 million working in various Arab countries. Thus, the fate of 14 million Egyptians is tied to the Arab nation and these millions are aware of the equation that underlies the fact that Egypt has no life without the Arabs and the Arabs have no life without Egypt.

These and many other millions do not find in Anis Mansur's statements about the Arab League and the Arabs anything that expresses their feelings. Rather, there is no doubt that these millions of Egyptians believe that such words are harmful, offensive, and contrary to the facts.

## ALGERIA

### Minister of Mines on National Debt

90AA0253A *Algiers ALGERIE ACTUALITE in French*  
13 Jun 90 pp 13-14

[Interview with Minister of Mines Sadek Boucenna by A.F. and R.H.; date and place not given]

[Text]

[ALGERIE ACTUALITE] How does the man in charge of our main resource, hydrocarbons, see the debt problem?

[Boucenna] Among the various solutions, it is necessary to find the proper one, and to be able to provide a real and enduring response, which at the same time will allow us to guarantee continuity in such a way that our society will suffer the least. Second, and this is more difficult, we must get our economy going again. This is a problem in which all of the others are crystallized, and the economic and social development of our country in the future, or in any case the rate thereof, will depend on its solution.

It is acknowledged that the means of payment available to Algeria today is the export of hydrocarbons. This is a reality, but I would like to distance myself from certain

approaches that involve relying exclusively on the hydrocarbons, and regarding them as a panacea. They cannot be the sole resource nor the solution to the problem of the debt. That is my key concept, and it is not incompatible with certain goals being pursued in other sectors. The solution is a universal one. It involves making the national economy profitable and credible, because faced with the debt, all aspects must be considered—our capacity to repay, but also the new indebtedness, and again repayment. In other words, it is necessary to be able to produce income. Moreover, there is a psychological aspect, because if your partners have the impression that you do not have this capability (even if they are wrong), they will be more cautious and they will lend you less. There is a snowball effect. There are, therefore, both an objective aspect, involving the capacity for repayment, and a subjective aspect, which involves the developing view of our economy, in terms of credibility. How, then, can we make our economy credible and provide our people and our foreign partners with a real impression of continuing recovery? This will require, first of all, reforms designed to rehabilitate a certain number of basic rules of operation, to create a framework and a system of organization for the work in which initiative, industrious labor, and evaluation of the economic and social requirements prevail. Specifically, this means giving our agricultural sector opportunities and prospects. It is a known fact that a country that is self-sufficient has more maneuvering room. It may experience difficult periods without having to suffer anguish in feeding the population. Another element in the answer involves industry. Being capable of repaying a debt means first of all repaying on the basis of the means of production one went into debt to obtain. This involves the entire production apparatus, which is in place today but is not being used to capacity, and which contains within it production reserves recognized by everyone.

[ALGERIE ACTUALITE] One hears figures cited here and there in this connection. But has this production reserve been quantified?

[Boucenna] It is difficult to provide figures. Some have been established on the plan and government levels. But they are true for one sector and not for another. They are not true, for example, for the refining sector, where we are utilizing 100 percent of our capacity. They are perhaps true for the fertilizer, plastics, detergent, or truck factories. Thus it is a question of making full use of the existing productive apparatus in industry, and of getting development started again by creating industrial prospects. We need an industrial project, so as to say to our partners and to our society, first of all: "Here is a project for which we can mobilize support." A tomato factory, a cement plant, or a computer assembly plant could mobilize a region and persuade its inhabitants that economic development is under way. You are not unaware of the chain effect such projects can have on a regional scale. And on the national level, this is how we can persuade our partners that we are making intelligent and rational use of the sums for which we have gone into

debt. The same is true for services, which, in a modern economy, are no longer an unproductive sector. This is also valid for tourism, which is a source from which to mobilize domestic savings and to make resources for foreign payments available. In my view, it is here that the basic solution lies. That having been said, we cannot minimize the important role played by hydrocarbons. Algeria enjoys good fortune in having reserves of hydrocarbons, which, by definition, are exhaustible. This is a trump card, in the short run in any case, with which to survive the difficult period until we have revived our entire economic apparatus. Our hydrocarbons are an important resource, but not the exclusive one. The best proof is that a number of countries that do not have or do not export hydrocarbons are confident of settling their debt problems. Some countries that have large quantities of hydrocarbons, on the other hand, have not been able to resolve this problem. The development of hydrocarbons is in itself a source of indebtedness. To rely solely on hydrocarbons is to choose the easy path. I am speaking here of the structural settlement of the problem of the debt. In the short run, in fact, hydrocarbons must play an indispensable and dynamic role.

[ALGERIE ACTUALITE] Do you mean to say that it is only by reorganizing and redynamizing what we already have that it is possible to limit our financing needs in a substantial way?

[Boucenna] I think that it is possible and necessary for us to avoid recourse to rescheduling. The more complicated way is the only way. This presumes an effort of imagination and the organization of our economy. This is what we are doing through the reforms—rehabilitating and establishing the basic and universal rules for the functioning of the economy. Along with this, it presumes greater strictness in the management of our limited resources. In saying strictness, one implies the rational use of resources. In this connection, we must be sure that our choices in terms of social justice are taken into account. We must not allow this strictness to make it necessary for those who are already in a difficult situation to pay. This is a very complex equation that must be resolved. We do not underestimate it. The other solutions rely on the future, involving postponement of the problem until a later date. This would mean seeing it expand and thus finding ourselves still less capable of resolving it. It is not too late. We have the means, and the process under way opens up broad prospects, if everyone will fully understand the solution to this equation. The answer is there, and it even dictates the role to be played by the hydrocarbons, because they do not exist as an isolated island in our national economy. The hydrocarbons in Algeria are an entirely integrated sector, fully indexed to the national economic situation. It is Algerian workers, Algerian finances, Algerian ports, and Algerian banks that determine the health of this sector or the lack of it. I emphasize this because the hydrocarbons cannot serve as a panacea for the debt problem. In the short- and medium-time range, they do, however, have an important role to play.

[ALGERIE ACTUALITE] Isn't there a contradiction between this great strictness and the relaunching of the economy, which presumes investments, and thus financial resources? Now the resources available to us go essentially for consumer needs and repayments. The advocates of rescheduling believe that by deferring repayment, we could obtain the funds for getting the economy moving again.

[Boucenna] This is why the phase through which we are passing is a difficult one. The message is complex, and is not easily understood. There must be acceptance of a certain strictness, and it must be accompanied by social justice as the motive force. But it is obvious that we must regard the supplying of our production apparatus in agriculture, industry, and services as an absolute priority, because it is by this means that we can resolve the social problem—more jobs, more wages. And these will be productive jobs, and wages which represent a counterpart to labor which creates wealth.

[ALGERIE ACTUALITE] Repayment, then, down to the very last cent.

[Boucenna] This is possible, if it is explained, and if it is accompanied by social justice. Even if we must tighten our belts during these difficult times with regard to our secondary needs, which remain to be defined, it is in the productive apparatus that the hope lies for basing the income to be distributed on labor and not on oil profits. All of this will be achieved through the reforms, which are the best response to the debt problem.

This is not, of course, incompatible with our desire to develop the hydrocarbons sector. Today we depend for our foreign exchange income on hydrocarbons to the extent of 95 percent. This is a good situation, because this brings us payment resources, which are envied by many countries. But at the same time, we are saying that this dependence is excessive, because it ties us to an international market over which we do not have control. All that is needed is for the price to drop, or increase, or for the dollar to decline, or increase, in order for negative or positive repercussions to follow immediately. And when the effects are positive, they are less keenly felt, of course. This is why the strategic goal is to reduce this dependence, in other words the role hydrocarbons play in our exports. This does not mean an absolute reduction in our capacity to export hydrocarbons, but a reduction in the portion of the total volume of exports for which they account. The effort must thus be made for hydrocarbons and also, and to a much greater extent, for the other sectors. Other countries have done this and they are living, perhaps better than we are, without hydrocarbons. The conditions are there. Our country has made great progress in the realms of education, infrastructures, and cadre training, and it has available to it a certain number of natural assets.

It is possible to develop the other sectors together with hydrocarbons, and for these sectors we have a development plan.

[ALGERIE ACTUALITE] The news agencies here and there have reported projects, negotiations, agreements, and prospecting campaigns. What are these projects, specifically?

[Boucenna] We have a plan for increasing our production capacity within limits consistent with our energy policy, which is designed to reserve a portion to cover our long-term national needs. It is a question of optimizing exports in quantitative terms, but in terms of value as well. There is also a search for the best possible prices. We are only managing to extract 22 percent of the existing reserves of crude oil today. I will not go into the technical details. At Hassi-Messaoud, for example, we have 5 billion tons in reserve, but we can only extract 1 billion with the techniques currently in use. And so this is our first goal—to increase the percentage of oil and gasoline recovery based on the existing reserves. All that is needed is to invest, which also represents a source of indebtedness, and to use the most sophisticated techniques. In certain countries, high levels have been achieved. In the United States, for example, 40 percent of the reserves are being recovered. The efforts of the SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] are limited in this connection, because the technologies are controlled by certain companies. Thus we are limited by our infrastructures and our management capacity, but also by our capacity for indebtedness, because the SONATRACH is Algeria, and the credit granted to it is also a function of the country's credit. That is why it is necessary to try to develop cooperation in this sector and partnerships with the companies that possess the necessary means. An increase in the recoverable reserves—that is the accepted phrase—can produce substantial results.

The other aspect is prospecting for new reserves, and this is possible. There are sedimentary basins that are of potential interest. The effort undertaken to date has been relatively modest, and we are pursuing a program, apart from the efforts made by the SONATRACH itself, designed to attract foreign partners affiliated with that company. For when one has expanding reserves, one's credibility becomes even greater. In the short run, our intention is to make the best use of the existing installations. This is what is being done, except in connection with LNG [liquefied natural gas], which is the subject of a two- or three-year plan for the rehabilitation of the installations. For hydrocarbons as well as for the other sectors, I stress again, the foreign partner who lends money or is waiting to be repaid does not look only at the present moment. He also wants to examine the future prospects. If he knows that you have invested in the productive sectors, he is reassured. The debt problem involves being sure that debt is incurred for productive purposes, and not for consumption. With the law on credit and the currency, there is the best kind of framework and supervision carried out by the Central Bank to prevent debt from being incurred where it should not be. All future indebtedness assumed will be structured indebtedness, with an effort being made to avoid short-term debt, which is very costly and leads to a vicious

circle. An attempt will be made instead to give priority to all of the formulas that extend the repayment periods and are more consistent with the value generation cycle.

[ALGERIE ACTUALITE] What is your estimate of income for the next two or three years?

[Boucenna] The market is fluctuating, as you know. We do not control everything. Our expectations are that our income is likely to be in the range of \$9 billion to \$9.5 billion. Everything will depend on how the price of oil develops at the end of 1990. But it is difficult to predict beyond that. After 19 years of work in this sector, I am cautious enough not to make future predictions. But this is not the important thing. The most important thing is that the government should cease to make hydrocarbons the only lever for action in settling the debt.

[ALGERIE ACTUALITE] It nonetheless remains the most important...

[Boucenna] Yes, but if what is wanted is to settle the basic problem—not tomorrow's problem, but the problem of Algeria, we must agree to make sacrifices to the benefit of the productive sector while guaranteeing what is essential for the people. The development of the hydrocarbons sector must be governed by the general good health of the economy and the implementation of reforms.

[ALGERIE ACTUALITE] Let us take a specific example among your current projects.

[Boucenna] Fine. Today, Algeria is producing 20 percent of its requirements for basic products of plastic, contrary to what is often thought. This is the 1989 figure, when, moreover, imports were not sufficient to meet the tremendous needs of the public and private plastics industries. Now then, a project such as that for the cracking of polyethylene for the production of a number of basic products could fully satisfy the domestic demand. This would reduce imports and thus make other means of payment available. And it would produce a surplus for export in exchange for foreign exchange, which would be used to repay the debt incurred in connection with this project and to guarantee the operation of the plant. The SONATRACH and the ENIP [expansion not given] are negotiating with foreign partners. We will contribute the raw material and the energy at competitive prices, and each partner will provide the technology and a part of the financing, for which he will be paid in products. The economies thus affected should come to \$480 million a year, more or less. But such a project, involving plans for the production of about 500,000 tons, is costly. We must plan for between \$1 billion and \$1.5 billion. This is why we want to share the burden and pursue a self-financing project. When one goes into debt for such a project, the people will go along. There is also the ENIP's LAB [expansion not given] project for producing the raw material for detergents, whereby it will be possible to save \$30 million to \$40 million per year.

[ALGERIE ACTUALITE] You think, then, that it is through such projects that we can avoid rescheduling the debt.

[Boucenna] History has demonstrated that all of the countries that have had recourse to rescheduling have later found themselves with a larger debt volume, with the sole result that they have been forced to adopt unpopular measures and have suffered upsets in their economies. I do not know of a single country that has solved its problem in this way. I say, and I weigh my words, that even with the money we have, we can provide a response, if these funds are used in the most rational manner. This means allocating them to the productive sector, and this is possible even without supplementary payment means in the short run. But it is necessary to have confidence in the future. The people must play the game and understand that the only solution is work. How many cadres are not being utilized? You doubtless know of some in your sector. The reforms are designed, among other things, to ensure that they contribute their genius and their experience to the creation of wealth and to the rationalization of society. This is the goal of the reforms in the economic, social, and even the political sectors, with a view to greater assignment of responsibility, greater clarity, more comprehensive accountability for each sector to the other, including the leadership level. The elections constitute one form of accountability. This is true on the level of the workers as well as that of the managers. Everyone must be accountable for his work and his capacity.

We have the good fortune not to need to import hydrocarbons, a requirement that places a heavy burden on the balance of payments of numerous countries. If all of this is understood, if we are stubborn and persistent, if the interest of the people is aroused—what we must do is to prepare for a different Algeria. The problem of the debt is linked to the problem of economic independence. This independence does not mean isolation, but on the contrary, the multiplication of foreign trade. Our greatest capacity for negotiation does not lie with hydrocarbons, but with a plan for development and mastery of it. Imagine that the price of oil drops to \$5. We will not say "we are lost." A country that commits suicide—there is no such thing. We will say that a solution must be found, and that we must find it.

Hydrocarbons have a place in an overall strategy, in which their role is important, but not exclusive. If I had to provide a metaphor, I would say that hydrocarbons are to the economy what the battery is to an automobile. It is essential, but without the engine, it can serve no purpose. And in my view, the engine is the reforms, because they will make it possible to regenerate our national energies.

#### Minister's Views on Housing Issues Discussed

90AA0239A Algiers EL MOUDJAHID in French  
10 Jun 90 p 2

[Report on interview with Benali Henni, minister delegate for local communities; date and place not given]

[Text] (APS)—Because of the importance of social demand, housing construction is one of the major concerns of the moment. So much so that it is one of the basic components of the government program, and this has resulted in the adoption of a new plan aimed at helping those earning less than 4,500 dinars [DA] per month.

The new plan, which was examined by the Council of Ministers last April and May, introduces new rules for the housing financing. It is to be consolidated in the medium term by various measures of a legislative, administrative, and financial nature to ensure its continuation.

It is true that experience has revealed all the shortcomings of the former housing-savings system, and it is quite obvious that the administrative intentions and measures—based mainly on assistance from the Treasury—that have prevailed until now can no longer provide the answer to the problem.

That, along with the continued existence of the terms of the equation constituting the housing crisis—population growth and weak economic performance—is why it is necessary to resituate the solution to this problem in the organizational context of the national economy and of the social policy that is its inevitable consequence.

In an interview granted to the APS, Mr. Henni, who is minister delegate for local communities, first reviewed the current situation and then explained the new formula for providing low-income groups with access to housing.

Discussing the main features of the present situation, Henni revealed that it is characterized by a large number of construction sites in which the average construction time is too long and programs are not completed within an acceptable period of time—the shortage of materials being one of the main constraints and one that it is difficult to overcome simply through imports.

According to Henni, there are basically two components to the housing sector. The first is the process of providing access to ownership through self-help housing in the urban areas (where it is legal) or the rural areas (where it is generally illegal) or through the transfer of state property under the terms of the law of January 1981. The second is the production of urban and rural housing under national plans, mainly for the rental market. This low-cost housing is assigned to tenants by the local authorities.

A third component of the housing supply is the existence of so-called concomitant housing. This involves mainly investments by the education sector and the infrastructures of certain senior branches of the civil service.

Despite very sizable investment efforts and a sustained savings policy, the national production system has not made it possible to meet the social demand satisfactorily, the reason being a certain number of constraints.

### **Huge OPGI [expansion not given] Deficit**

Although the use of standard costs has applied to all housing programs initiated by the state, it has been impossible to control costs, and this has drastically reduced the physical objectives projected or established at the start of each plan, Henni added.

As a result of the management system and the rent policy, which consisted of protecting people's purchasing power or establishing a form of income redistribution without reference to the real production costs of housing, the OPGI's owe the Treasury a huge amount of money. Henni emphasized that besides the inadequate management of the OPGI's, that situation is made worse by the low incomes of those occupying the housing in question.

In response to a question concerning the objectives of the reform, the minister said that acknowledgment that the system of housing supply has been inadequately managed should not overshadow the country's advantages and possibilities when it comes to radically altering the facts of the problem to the point that the housing policy will be separated from the social policy to which it has been reduced and made a vital economic sector connected with the overall reforms.

The objectives of the reform in the housing sector are organized around the following goals:

To reduce the number of channels through which housing is obtained and offered so as to reduce tensions and encourage the tapping of cash through savings by restoring hope to today's generations concerning access to housing.

### **Housing Savings: 70 Billion DA at the End of 1989!**

On the subject of savings and housing, the minister said that in a difficult macroeconomic context, the development of housing requires the implementation and adaptation of new financing mechanisms. Apart from the markedly social character of housing, the situation of greatly repressed demand, combined with a relatively large increase in incomes, is the potential generator of sizable household savings.

The total amount of demand deposits is estimated to have been 70 billion DA at the end of 1989.

That basic fact, he said, is a major advantage in the reform of the financial system that will make it easier to turn a large portion of the housing sector into a component of economic development.

The major obstacle facing the introduction of new mechanisms seems to be the slow change in the financial system, which the state will have to accompany with specific measures for the financing of housing as it continues the process of reform. During the period of adaptation, those measures would limit the perverse effects on current housing demand not only of the financial system but also of the production apparatus, whose mode of intervention is normally confined to a

captive market and whose organization will have to be brought up to date in the context of the economic reforms, notably as regards competition.

#### **Rehabilitating the State's Role in Regulating the Housing Market**

Concerning the objectives of the financing system, Henni said that those objectives and the new mechanisms are the result of the macroeconomic choices contained in the government program and the prospects for medium-term development that are part of the plan for implementing economic reforms.

The financing mechanisms to be implemented in this connection have the following main objectives:

- The establishment of more favorable conditions for a greater mobilization of savings, to be introduced as a means of committing the economic agents and the local communities to the production of housing on a sustained basis. The financing mechanisms will favor banks competing to finance developers or beneficiaries in connection with access to ownership or rentals at market rates. That system will make it possible to provide regulation by market forces and to tap more savings by completely reducing the monetary financing of housing [as published].
- Efforts to establish permanent transparency as regards the effect and impact of the housing and town planning policy on the major equilibriums in the economy, notably the budget.
- An increase in the number of financing mechanisms and financial products better adapted to the various segments of the housing market and, consequently, the various types of housing development.
- Last, a rehabilitation of the state's role in regulating the housing market so as to satisfy the demand from the financially solvent sectors and in terms of its intervention on behalf of the most vulnerable income groups.

#### **Land Policy Bill: Thorough Modification of the Law**

Last, on the subject of the land policy bill that will replace the old law on land reserves, the minister delegate for local communities added that in addition to guaranteeing the right to private property, the Constitution of February 1989 restricts action by the state and the local communities by requiring fair and equitable indemnification. The codes governing the communes and governorates having been revised, the new institutional framework establishes a state of law and calls for a thorough modification of the land laws now in effect so as to create the new legal conditions in which the local communities and the state will exercise their authority as regards the management and administration of real estate.

What this means, he emphasized, is that today's institutional framework introduces a different set of problems as regards intervention in the real estate market by the

state, the local community, and the citizen. Its objectives are organized around the following goals:

- The development of agricultural potential, which would tend to reduce the country's dependence on others.
- The deregulation of real estate transactions.
- The satisfaction of social needs in a situation of urban growth over which there will be better control.
- The elimination of real estate speculation.
- The safeguarding of the rights of citizens and of economic agents.

Last, this legislative bill is concerned to restore the rights and obligations of citizens, economic agents, and public institutions with a view to establishing greater transparency in economic development and social justice so as to permit legal proceedings in the last resort.

#### **Study Reviews Elements of Foreign Debt**

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[Article by H. Benhamza, Ph.D. in economic science; first three paragraphs are EL MOUDJAHID introduction]

[Text] Although inflation, unemployment, shortages, and the housing crisis are directly and sorely felt by too many citizens, the foreign debt constitutes a threat that is even more harrowing in that its effects and its future consequences are scarcely controllable.

The debate has been taking place publicly for some time now, but ideological approaches, false visions, and partial information have greatly distorted that debate. It is said, for example, that to pay off the debt, each citizen would have to cough up nearly \$1,000 (5,720 francs)—in foreign exchange, of course. As far as the man in the street is concerned, that borrowed capital has been misappropriated and invested abroad. A former prime minister has even stated publicly that the 26 billion making up our foreign debt equals the amount misappropriated.

We think it is time to adopt a calm and objective approach in order to remove the drama from the debate and contribute to the search for a realistic solution.

#### **How Does One Get Into Debt?**

It must not be imagined that the creditor sends the borrower a check that the latter can spend anyway he pleases. When a borrower signs a contract for the purchase of equipment or the construction of a plant, he pays from 10 to 15 percent in cash and the rest over a relatively long period. If he is buying consumer goods, there is a short repayment period. In either case, he pays a rate of interest that varies depending on the state of the financial market. The foreign debt consists of the sum of

those deferred payments and the related interest. It decreases as payments are made and increases when new borrowings are made.

The above refers to commercial debt contracted with private banks. When this type of debt is contracted, funds are not actually transferred to the borrowing country, so misappropriation is impossible.

The other forms of debt are loans granted by governments or international financial institutions for specific purposes, examples being the financing of infrastructure or the restoration of equilibrium in the balance of payments. The lenders themselves see to it that those funds are not misappropriated. And in any event, the direct misappropriation of funds is very difficult because too many people would know about it.

### Why Are We in Debt?

To make up for five centuries of economic backwardness, Algeria launched into a bold investment policy concerned mainly with the industrial area. It happens that because of the vicissitudes of history and climatic

phenomena, our economy is very open to foreign countries, with 95 percent of our export earnings coming from hydrocarbons. Moreover, we cannot exist without importing food, production goods, and services. The surplus of our exports over our imports has never provided enough to finance our investments. Our governments have therefore borrowed a great deal to finance the foreign exchange portion of those investments.

Those investments totaled 1,081,804 million dinars from 1967 through 1989. That is an impressive amount, especially if we express it in centimes—that is, 108,180 billion old dinars.<sup>1</sup> With an amount like that, we ought to have had such a prosperous and powerful economy that the debt problem would not even have arisen.

But the objectives were not achieved because we were unable to make our production apparatus function in a profitable manner.

The successive economic policies were unsuitable, the economic operators in the public sector were undisciplined, and private operators were marginalized. Production increased more slowly than the population and in some periods even declined.

### Development and Temporal Structure of Debt

Description	1982	1983	1984	1985	1986	1987	1988	1989
Medium, long term	13.9	12.9	12.0	13.4	16.1	19.1	18.6	20.2
Short term	2.8	2.0	1.8	1.8	3.1	3.7	3.6	3.8
Total	16.7	14.9	13.8	15.2	19.2	22.8	22.2	24.0
Short term as % of total	16.7	13.4	13.0	11.8	16.0	16.2	16.2	16.2

The total debt remained relatively stable from 1982 to 1985. It rose sharply from 1986 to 1989.

The burden of short-term debt is not negligible, but neither is it excessive. But it has increased sharply since 1985.

A more significant indicator is that showing the relationship between annual payment on the debt, or "debt service," and annual exports.

Source: World Bank

### Debt Repayment in Billions of Dollars

Description	1982	1983	1984	1985	1986	1987	1988	1989*
Principal	3.02	3.37	3.35	3.25	3.53	3.63	4.55	41.8
Interest	1.64	1.41	1.52	1.54	1.60	1.64	1.91	14.9
Total	4.66	4.78	4.87	4.79	5.13	5.27	6.46	56.7
Interest as % of total	35.00	29.50	31.20	32.10	31.20	31.10	29.50	26.20
Total exports	14.10	13.50	13.40	13.65	8.69	9.68	8.26	76.6
Debt service as % of exports	33.00	35.00	36.00	35.00	59.00	54.00	78.00	74.00

\*1989: in billions of dinars.

Source: IMF

Attention should be drawn to the effect of the fluctuating dollar on the amount of debt contracted in other currencies. When the exchange value of the dollar rises, we need to pay out fewer units in other currencies. When it drops, the opposite occurs.

Dollar Value in Terms of French Francs at Yearend	
Year	\$1 = Francs
1982	6.73
1983	8.34
1984	9.59
1985	7.45
1986	6.45
1987	5.34
1988	6.06
1989	5.70

Source: IMF

From 1982 to 1985, the dollar rate was favorable to us. It was unfavorable to us from 1986 to 1989. Unfortunately, we have no way of influencing that rate. The only thing we can do is negotiate better rates of interest and better repayment terms.

The very high amount of interest as a percentage of the amounts repaid should be noted. What it means is that our indebtedness has greatly enriched foreign banks. It should be noted that when debt service exceeds 25 percent of exports, the national economy is weakened.

In the early 1970's, debt service was below 25 percent. From 1982 to 1985, it was already much higher (from 33 to 36 percent). And since 1986, it has reached disastrous levels.

In a country like ours, which absolutely must import to survive, spending too large a percentage of export earnings on debt repayment means hardship for the inhabitants because not enough foreign exchange is left over for importing what they need and supplying the production apparatus with machinery, tools, raw materials, and spare parts. The result is less production, a worsening of deficits, higher unemployment, and, as a consequence, the impossibility of exporting anything other than hydrocarbons.

The forecasts for 1990 are even more alarming:

- Export earnings: 93.9 billion DA [dinars].
- Imports: 91.1 billion DA.
- Trade surplus: 2.8 billion DA.
- Annual amount of debt repayment: 60 billion DA.

The dilemma is therefore the following:

- Either we import everything we need, in which case we cannot make the annual payment on the debt.
- Or we make the annual payment on the debt, in which case we do without most of our scheduled imports.

The only solution to that dilemma is to renegotiate the debt or borrow more money. We have reached this point as a result of perverse effects and because we failed to follow the golden rule of indebtedness.

#### Perverse Effects

These are the result of overbilling, the charging of commissions, and incompetent negotiations.

Overbilling is imposed on the buyer when he is not skilled in negotiating the purchase price. It is accepted by the buyer when he demands that the seller pay him a commission (generally from 5 to 20 percent of the purchase price).

It happens that the importer, through ignorance of the rules on building up and managing inventories or because he is trying to collect a larger commission, buys quantities in excess of those that would meet the firm's needs.

It also happens quite often that the foreign exporter, fearing that he will not be paid when the time comes or that he will receive only partial payment, cushions that risk by padding the sales price. This means that the premium for export credit insurance, which he has added to the sales price, is also higher.

Added to that is the loss of foreign exchange due to the payment of demurrage when poor labor management, sluggish procedures, and the breakdown of port equipment keep ships in port for too long.

On the day when those perverse (but controllable) phenomena no longer exist, our outflow of foreign exchange will be much smaller and we will be borrowing much less.

#### Golden Rule of Indebtedness

First of all, this means borrowing exclusively to finance directly productive investments and basic infrastructures. Moreover, that borrowing must result in a positive foreign exchange balance. What this means is that during the period when the loan (principal and interest) is being repaid, the related investment must produce foreign exchange earnings at least sufficient to reimburse the loan and pay for imports of the raw materials and spare parts necessary for operations (when the investment is being made with a view to exports).

When the investment is intended to result in the production in Algeria of previously imported products, its cost must not cause an outflow of foreign exchange in excess of that caused by the previous imports.

A special case exists when the loan is intended to finance infrastructure projects (roads, ports, railroads, and so on). In that case, the foreign exchange balance is not a matter of concern because one must also take into account the indirect and lasting benefits to be gained from those investments, which, incidentally, are financed by long-term loans granted by international or governmental institutions at low interest rates (2 or 3 percent).



When the golden rule is ignored, the borrowing country has trouble repaying its debt. That is what has happened, with more or less serious consequences, to most countries in the Third World, including our own.

The result is called a debt crisis. To overcome such a crisis, there are temporary solutions and thoroughgoing solutions.

#### Temporary Solutions

There are three temporary solutions: refusal to pay, payment accompanied by new loans, and renegotiation.

##### I. Refusal To Pay

This is an easy solution because the decision not to pay is made unilaterally, and it is attractive because it wipes out the debt at no cost. But one must be able to take the consequences. Our aircraft, ships, and financial assets abroad will be seized and turned over to our creditors. And then we would no longer be able to find lenders because no country would trust us. If we are able to live as an autarky and finance our investments by ourselves, we can refuse to pay our debt. The USSR did so in 1917, and it was able to hold out thanks to the size and resources of its territory and especially the iron fists of Lenin and Stalin, both supported by a powerful and organized Communist Party.

Some people are advocating that the Third World form a united front against the creditor countries. That is a utopian idea nowadays because a homogeneous Third World no longer exists. Instead, there are subgroups of countries with divergent interests and regimes that not only differ but also are often antagonistic to one another.

Some Third World countries such as India are owed money by Algeria and other countries, while Algeria is owed money by Mauritania and Mozambique. Are those creditor countries willing to give up their claims?

Peru's experience merits reflection. In 1985, President Alan Garcia decided to restrict repayment of the debt to 10 percent of Peru's exports. The 230 creditor banks sued Peru to force payment of the \$3.4 billion in debt that had fallen due.

Since 1985, Peru has not received a single dollar in new loans.

Prices rose by 3,000 percent in 1989. The Peruvian standard of living has dropped to 50 percent of what it was in 1985. And the debt, which totals \$19 billion, is still payable. President Garcia's policy was the exact opposite of what the IMF had recommended, and it has bled the country white.<sup>2</sup>

Some people feel that if the rich countries lose everything the Third World owes them, the result will be a disaster from which they will not recover. It is true that many private banks will fail and many citizens will lose their savings, but that will not mean financial collapse. Seen in terms of the gross national product of the creditor

countries, the total amount owed them is small. On the other hand, the indebted countries in the Third World will not be able to stand the shock of such a breach. Their economies will suffocate. In other words, the very rich will become a little less rich, but the poorer countries will become a great deal poorer.

That is why refusal to pay is a solution that must be flatly rejected.

##### II. Repay and Continue To Borrow

This is the solution chosen by the current government. To keep from falling under the control of the IMF, avoid having to abandon elements of its sovereignty, and spare the working classes hardships, the government is prepared to pay the \$7-billion annual payment on the debt that is due for 1990. By doing so, it will not have to render an accounting to any foreign power. But repaying the debt is not enough. We need foreign exchange with which to pay for our imports of food (25.3 billion DA), industrial consumer goods (9.3 billion DA), equipment goods (19.6 billion DA), and services (8.6 billion DA). Since we expect our export earnings to total 93.9 billion DA this year, payment of the debt will leave only 2.8 billion with which to pay for the 91.1 billion DA worth of imports we need. The choice is between stifling the production apparatus and increasing our indebtedness to pay for those imports.

Both solutions will harm the current generation and the following generation. The first solution will impose hardship on the current generation and prevent it from making investments benefiting the next generation.

The second solution will place the burden of repayment on the current generation and the future generation. The absolute need for new loans being admitted, it remains to be seen whether they will be obtained without political conditions as well as at lower interest rates and with longer repayment periods than the previous loans. We strongly doubt it.

##### III. Renegotiation of Debt

This consists of telling our creditors: "We are in a difficult situation, and you know it. Paying you every year makes our hardships worse and makes it difficult for us to overcome the crisis. We are in danger of growing even poorer to the point of no longer being able to pay you. Moreover, the volume of our imports from your countries will decline. That is why we propose to you that we renegotiate the debt. In other words, we are asking for the following:

1. A five-year grace period in which we will pay nothing.
2. A reduction in the amount of the debt in principal and interest.
3. A rescheduling of the balance.

If the debt renegotiation is successful, we will have a respite for a few years to straighten out our economy by devoting all our resources to it, and the debt burden will be bearable.

If renegotiation fails, the situation will be no better and no worse than it is now.

Under what conditions will our creditors agree to our requests? They will require that we submit an economic recovery plan containing austerity measures and measures for liberalizing the economy. Actually, the country's interest requires that we draw up an economic recovery plan before our creditors ask for one. It is up to us to devise an economic policy capable of getting us out of this crisis without harming the low-income social groups; they are already living at the limit of what is bearable. Economic recovery will have to be paid for by those who have accumulated billions illegally since independence. Above all, it is also necessary to put a stop to extravagant expenditure and the squandering of national resources on the part of government departments and certain citizens.

As for the IMF, it is not the vampire thirsting for the blood of Third World countries that some people want us to think it is. Some of its demands are acceptable; others should be rejected. Negotiating does not mean capitulating.

In any case, the current policy is leading us straight to renegotiation, but the sooner we get there the better because time is not on our side. Worsening inflation and unemployment and our currency's loss of value will make our position even weaker when the time comes to renegotiate the debt.

Some people are wondering if rescheduling has led to economic recovery in the countries that have obtained it.

But the question is wrongly worded, because renegotiation of the debt merely provides a few years' respite and lightens the debt burden. And of course that is not enough. It is also necessary to draw up and resolutely implement a good economic policy, make the production apparatus profitable, and put an end to the brain drain and the flight of capital.

For our country as for any indebted country, renegotiation would do no good if it were not accompanied by a good economic policy.

#### Another Economic Policy

There are no miracle solutions, it is said, and that is certainly true, but it does not mean that no medium-term solutions exist.

The United States, Germany, and Italy certainly got back on their feet following the 1929 crash, and that crisis was much more serious than the one we have been experiencing since 1985. By launching big, government-financed construction projects, they were not afraid to turn their backs on liberal orthodoxy. They showed

themselves to be disciplined and hard working, because it was that or total collapse.

In our country, half-measures will not do the job. We must not be afraid of lifting taboos and calling things by their name. We must renounce the kind of talk that applies the description "first priority" to four or five sectors of activity. By definition, there can only be one "first priority." And for us, that priority is the reduction of our dependence on others for food. It makes two measures necessary:

- One consists of privatizing agriculture completely and making the factors of production available.
- The other consists of "capturing" as much rainwater and underground water as we can and being prepared to pay the price to do so.

That first priority leads to the second, which has to do with directing our industry into the production of implements, agricultural equipment, fertilizer, and so on and the processing of surplus products.

The third measure consists of seeking direct foreign investment, either by independent investors or in the form of mixed-capital companies.

The fourth concerns the public economic sector. Reorganizing it and making it profitable are the requirements for its survival. To achieve those two goals, the first step is to fire all the cadres who have revealed themselves to be incompetent or dishonest and replace them with objectively selected cadres. The latter must be given genuine autonomy and required to show results, not expedients. But credit policy and the allocation of foreign exchange should be used to direct the activities of those firms into production.

The current situation in our country is disturbing and dangerous. The masses cannot put up forever with the high cost of living, unemployment, shortages, and the housing crisis. An explosion of popular discontent would further complicate the solution of the problems involved in building a prosperous economy and a balanced society.

#### Footnotes

1. Source: Document No. 9, National Statistics Office, October-December 1985, and plan implementation reports from 1985 to 1989.

2. LE MONDE DIPLOMATIQUE, April 1990.

#### EGYPT

##### Government Urged To Make Administrative Reform Reality

90AA0241A Cairo AL-AHRAM AL-DUWALI in Arabic  
1 Jul 90 p 6

[Commentary by Rajab al-Banna]

[Text] Days ago, the foundations of a new administrative revolution were announced, renewing hopes, but also stirring apprehensions based on the memories of a quarter century in which hundreds of announcements of an "administrative revolution" were left to marinate. The rubric may have differed from time to time—"shake-up of the administrative apparatus," or administrative reform," or "reorganization of the state," or "discipline"—but all of these attempts died without achieving a thing. The word "revolution" lost its meaning of radical change and restructuring. The "bureaucracy" won each time and increased in power, while citizens with interests and investors groaned. Despite the growing perception that a new attempt at reform is futile, the announcement of an administrative revolution No. 101 comes to revive hopes, and why not?

Thought of "economic reform" must necessarily be preceded by "political reform." Then we discover, upon analysis, that the correct beginning for fording the current crisis and building the future must be comprehensive "administrative reform" in the government and the public sector, which must happen now, immediately, without losing more years of the country's life by waiting and hesitating.

It is important that we realize that the required administrative revolution is not in the hands of the minister of state for administrative development, nor those of the Central Agency for Organization and Administration. Both of them have done what they could and more. There is a need for something larger, more comprehensive, and deeper, that exceeds their boundaries and authorities, something that requires the mobilization of all state constitutional institutions and their political organizations, and all think tank agencies and their decision-making agencies. In this way, the state can achieve a true "administrative revolution" that extends from the cabinet to the smallest post office, health unit, or school in the most remote village in Egypt, and embraces the departments of the administrations of taxes, land registry, civil status, the issuance of licenses, investment regulation, religious endowments, education, health, the courts, and the police departments, the universities, the scientific research academy, national research centers, national specialized councils, television, radio, the Information Organization, and our embassies abroad. Everything, everywhere, must undergo review, reexamination, reorganization, and restructuring based on new foundations that differ from all existing foundations. Leaders everywhere, from the top to the bottom, must be re-evaluated. In this way, there will be a true "administrative revolution," and we will have ushered Egypt into the 21st century, having truly shaken the dust off our administrative apparatus, dust that has been accumulating since the Ottoman era. We have always been satisfied with repainting facades or with talking much about our success in meeting the age head on with newest ideas and technology. Or we have been satisfied with the example of our achievement in having come to pose a threat to the major states in the

world cup competitions, which is more than enough to silence the rancorous, the self-serving, the destructive, and the ungrateful.

I hope that current discussion of the administrative revolution will not be like previous times, resulting in the mountain giving birth to a molehill. I fear that the accumulation of promises and hopes, and the media's inflation of them, will cause an increase in frustration, negative attitudes, a loss of commitment and other negative phenomena of which we complain, and for which we blame others, without recognizing that we are responsible for them first and foremost.

The human element in the government apparatus is the beginning. For years, reports have indicated an increase in the rate of bribery, embezzlement, and the appropriation of public funds. They also show that administrative leaders are frequently not selected on the basis of objective criteria, but on the connections of incompetent citizens who suffice for a position because of their privileges or appearance. The absence of fair, objective reward and punishment criteria has caused a decline in performance and has made those who work regret their dedication to work, because, the climbers, those who pretend to work, and the dependents of the leaders, never work for their wage.

No one is ignorant of the state of backwardness in the government apparatus. Nor does anyone deny that it has become a huge gelatinous entity afflicted with paralysis that makes movement virtually impossible in its current state. This condition exacerbates apathy and the drop in morale that is afflicting this huge system. The system therefore hides behind rules, operating regulations, and existing laws, which actually represent a strong restraint that kills the enthusiasm of any leader.

All are convinced that a feeling of inequality and injustice has spread throughout the society of workers. This feeling has been engendered by: the decline in employees' wages and social status in relation to other groups that obtain privileges and status without effort; the undermining of fair criteria regarding promotions and bonuses; and the use of flattery and intercession. The worker feels that dedication to work is foolish. He prefers to seek a "backer" who will protect him from shocks and push him for promotions without taking into account competence or expertise.

Also, an embarrassing contradiction has arisen from spread of religiosity in the work place. The workers' desire to perform their prayers at the appointed times during the work day has transformed offices and corridors into places of worship, where assemblies of employees and agency bosses are called to prayer. This has been accompanied by a work slowdown that impedes the people's interests, reduced output, departure from work before the official time, and the spread of opportunism by which one takes credit for the work of another. This contradiction is a cause for embarrassment!

All are talking about organizational shortcomings, confusion over jurisdictions, and the fact that leaders engage in activities unrelated to their jobs. On this last point for example, a public sector company board chairman concurrently serves as the chairman of a competing investment company, a deputy minister concurrently serves as a member of the People's Assembly, or a governor serves as a member on 20 different committees outside his governorate. In some administrative revolutions, the slogan of "one job per person" has been promoted. However, in no time, there appear those skilled in persuading us that some geniuses are indispensable in every place, and that one of them can perform a thousand functions, for whom a thousand salaries are insufficient. Administration academicians have stopped saying that freeing up administrative leaders for one job is an axiom of sound administration, because they too have become professors in universities while also owning investment offices, and serving as experts for Egyptian and foreign agencies and companies, and members of research committees and centers and supreme councils. The sum of all ordinary persons would be incapable of engaging in their many activities!

The most recent report on the shortcomings and imbalance in the state's administrative apparatus states that these circumstances being experienced by leaders and workers negatively affect the administration of state affairs, production units, and the services, which has led to the basic economic imbalances that we feel. State workers have also resorted to implementing laws and directives literally, without relying on the spirit of the law, even if the application of such laws and directives runs counter to the public good. They have surrounded themselves with many guarantees, obtaining an abundance of [approval] signatures, forming many committees, requesting a formal legal opinion in all matters large and small, not deciding matters with the necessary speed, being slack in remedying shortcomings, and overlooking the errors of subordinates. All of these behaviors damages citizens' interests, productivity, and contribution to national income. They also open the door to the weak to accept bribes and commissions, which in turn creates a wide field for corruption and undermining.

These are some of the remarks contained in a report by a group of experts of the national councils. The report also points to financial shortcomings, such as state losses related to several large, essential projects; excessive spending on projects whose completion is problematic; finished projects that did not use imported materials and equipment for long periods; non-compliance and collusion regarding some contracts, such as the receipt of defective goods as a result of fraud in the determination of specifications, and the acceptance of unusable imported goods and material; uncontrolled spending, etc.

The report also notes that attempts at administrative reform always begin with enthusiasm, which subsequently abates, and that administrative organization and development units have not proven their effectiveness.

The Central Agency's accounting reports have for years, including the present, been filled with observations pertaining to the instability of some organizational structures. Factors of instability include: repeated changes in the subordination of administrative units; the subordination of one agency to more than one head agency; the failure to subordinate agencies that provide similar or complementary services to one head agency; a lack of serious monitoring efforts; weak internal monitoring; confusion regarding the purviews and responsibilities of some positions; the mismatching of authorities and responsibilities; the concentration of power in the hands of senior leaders; a failure to define modes of conduct regarding procedures in some units, and intentional efforts to make procedures complicated, so that the monopoly on unlocking their mysteries is possessed by a few, who benefit from this situation; the inappropriateness of work places for any productive work; poor coordination between agencies working in the same field; conflicts between the jurisdictions of several agencies, which means that no one takes responsibility, etc.

A diagnosis exists. The patient's condition is well known, as is a plan to treat it. However, everyone is waiting for someone to take charge, lead and monitor! Is anyone not aware of the backwardness of the laws, regulations, and resolutions that govern different procedures!?

All of the problems and the shortcomings of the administrative apparatus are well-known and described. We have more than enough studies from the Central Accounting Agency, Administrative Control, the Administrative Representation, the Public Prosecutor, the Socialist Prosecutor's Office, the anti-graft agencies, the Central Agency for Organization and Administration, the universities, the Planning Institute, the committees of experts, the United Nations, electronic information networks, and the computer!!

We have more than enough studies. We can issue enough studies to solve the administrative problems of even the major states. The desire for reform also exists, as indicated by the repeated statements of officials, whom we assume are sincere and have good intentions. Why then has the governmental apparatus become more flabby and paralyzed?

This is not said out of a desire to belittle the appreciated efforts that have been and are being made. Rather, it is said in an attempt to raise the "realistic reality" above the "propaganda reality." The latter has succeeded in depicting reality based on untruth, with artifices and maneuvers that produce an "ostensible reality" for presentation on television that hides the "real reality" that citizens are living—the "real reality" that is burning them. The presentation of selected examples and the concealment of painful facts behind a curtain of nice slogans will not usher us toward earnest performance, discipline, and the smooth discharge of public service. Accusing those who tell the truth of lying and being guided by personal interests and motives benefits neither the country or the future.

Those making efforts to achieve administrative reform and streamline the bureaucracy deserve thanks, because they have fulfilled their duty within the limits of their abilities. We have several model offices, but this is not the issue. The issue is the preparation of a state administrative apparatus to see us into the 21st century. This is an altogether different matter that requires a new way of thinking and efforts that are completely different from existing efforts. It requires an "administrative revolution" encompassing the entire state, including all of its sectors and leaders. It requires the resolution, determination, and firm will of revolutionaries with a mission.

That will be the beginning of the building of the future.

## ISRAEL

### Foreign Minister Levi Interviewed on Peace Process

90AE0199B YEDI'OT AHARONOT in Hebrew  
29 Jun 90 pp 3, 20

[Interview with Foreign Minister David Levi, by Dan Shilon]

[Text] [Question] David Levi, how is your health?

[Answer] Good.

[Question] And your heart?

[Answer] The doctor says that it is beating well.

[Question] Is it permitted to ask difficult questions?

[Answer] Definitely, everything is open.

[Question] I mean Baker's questions.

[Answer] Yes. There is a peace process that Israel initiated, and it bears chances and risks....

[Question] Until now, you have not seen the chances in the initiative. You have only pointed out the risks.

[Answer] True. I pointed out the risks, and to this day I see in it several problems that have not been worked out. As long as we do not work them out and we do not arrive at a hermetic Israeli - American understanding, I will continue to point out the dangers.

[Question] And from here, has the political initiative of the government of Israel expired, in effect?

[Answer] There is no need to speak in terms of life or death. I say "yes" to a process of peace, "yes" to a dialogue with the Arabs of the land of Israel, "yes" to an Israeli desire to change the situation.

[Question] Your "yeses" are essentially "nos" to the political initiative of the government of Israel.

[Answer] I do not accept that. My "nos" are only "nos" to questions that request answers of a "yes" or a "no" to

Baker. Actually, Baker's questions are additions that he coordinated with Egypt and the PLO.

[Question] And, therefore, you say "no" to Baker.

[Answer] I say "yes" to Baker regarding breaking the standstill and continuing the process, and "no" to the questions that were, in effect, demands of the PLO. I wish to clarify once and for all: Our talks with the United States must be an open, honest, and frank dialogue. There cannot be a situation in which we will be presented with a fact. This is not a dialogue and is not coordination between allies.

[Question] We and the United States are not exactly equal allies, and James Baker is not really buying your "yes and no".

[Answer] I do not know if he is not buying; I also do not know what he wants exactly.

[Question] Why don't you ask him? He sent you a telephone number through the media.

[Answer] The United States is a superpower, but Israel is not its satellite. We will not accept a dictate, and will not give up on issues that are vital to our existence and our future.

[Question] Interestingly, in the American administration they have the impression of us that we are treating them like our satellite. Why must they provide us with such generous aid while we are being wise guys and avoiding answering their questions?

[Answer] The United States supports a Palestinian state and the PLO. This is a question of existence for us. We will not concede to the United States on this question and will not even argue about it. I know our limitations, but nothing is given to us free or out of charity. It is worthwhile to remember that there have been periods in which we have served as a dam before storms and tempests that threatened the American interest and the free world.

[Question] That is already history. Today, we are perceived by the United States as a burden, perhaps even a parasite.

[Answer] I do not accept those terms. Israel is not a burden to the United States, and certainly not a parasite. There is a dispute, and the dispute is legitimate.

[Question] But we are not even capable of arguing with the United States. We have lost the meeting points for conversation. The American secretary of state refuses to invite you to see him.

[Answer] I am not standing and requesting: Invite me. In general, in the course of time a kind of thesis has become accepted by ministers and public figures, whereby an invitation to the United States or to Egypt is, in itself, of the essence.

[Question] Without an invitation, how will you arrive at a dialogue with the United States?

[Answer] I am convinced that they, too, want to speak with us. For without Israel, with all due respect, it is impossible to make peace with anybody. Therefore, the government of Israel is not standing before some door, expecting that someone will do it a favor by opening the door to speak with it.

We have a lot to say. Our desire for peace is not a phrase. It is a genuine approach, but we must be cautious and see to our security.

[Question] It seems that the United States has stopped believing that. It is now treating you and your government with open diplomacy which is insulting and disrespectful.

[Answer] I am definitely aware of that. I am not an ostrich. But the United States is primarily hurting itself by this. It is not creating the openness of basic understanding between us. We try, but we will not grovel before the United States and we will not crawl to it. We very much want friendship with it, but we will not underestimate the dangers before us.

We will not view with equanimity the supply of extremely lethal American weapons to states and regimes that are likely to use them against us. The United States does this out of its own considerations. We will not contain ourselves about this. We will not be good children and we will not agree that our lives will be dictated to us and that we be reminded that we are small and dependent. Nonetheless, if we remove matters of prestige from the agenda, we can arrive at a basic understanding with the United States; an understanding, based upon a guarantee of our issues of existence.

[Question] All in all, you are now trying to appear as a tiger in a sheep's skin.

[Answer] It is possible to employ a lot of images. It is also possible to say that I am an extremist but, all in all, I am quite zealous about my country and my people. I know the environment. I also know what weakness is. There is no choice; on matters of existence we must stand strong. I hate wars, but one cannot enter the jungle of the beasts of prey with the book "War and Peace".

[Question] If and when you meet with James Baker, in what language will you speak with him?

[Answer] I hear those whispers and simply do not know what has happened to us, that we are ashamed of our national language.

[Question] The Americans do not understand Hebrew.

[Answer] I have seen the president of the United States, whom I very much respect, wearing earphones to understand, for example, French.

[Question] That does not make communication any easier.

[Answer] The question is not the language, but the message.

[Question] Do you really not see the difficulty in that you do not speak English? In fact, why have you not learned the language to this day?

[Answer] That question can be presented to many others among us: why haven't they learned, for example, German, why haven't they learned French, why haven't they learned Chinese?

[Question] We are slightly more connected with the United States than with China.

[Answer] We are connected with the entire world. I have another language besides Hebrew, and I have no feelings of inferiority in this whole matter. The matter was disproportionate. Should I decide to learn English—and apparently such a decision will be made—I will learn, and quickly.

[Question] Are you pleased with the composition of the new government?

[Answer] That's what there is.

[Question] Why are you, too, using that expression?

[Answer] Because, first of all, there was a need to form a government.

[Question] Even though the head of it, Yitzhaq Shamir, was described by you as "a person who should not be trusted"?

[Answer] You are quoting from a certain event of a legitimate confrontation that took place at our convention. In a party, nobody is going on a picnic or developing a romance. In a party, there are often conflicts, and that is legitimate. Sometimes one wrestles about opinions, sometimes about positions. This is not pleasant, it is true, but it is daily bread. Now there are correct working relations between the prime minister and me. I hope that we will overcome the hurts and the pitfalls of the past.

[Question] Were those relations created because he promoted you within the government? You jumped from the position of minister of housing to that of the foreign minister.

[Answer] No, I do not accept that. I deny that. Nobody gave me anything. Please, nobody did me a favor, nobody promoted me, nobody had me skip a grade.

[Question] Not only you, the three "ministers of wheels" were promoted and skipped a grade.

[Answer] That only shows that their way was correct.

[Question] Or that there is reward for political violence and trampling.

[Answer] I do not accept talk about violence and trampling. If a legitimate dispute about the way is perceived as strongmanship, then the concept of the "party" must be totally done away with.

[Question] For ten years, you were the minister of housing and construction, and now the lack of housing is being indicated as the greatest blunder of recent years. Do you consider yourself responsible for this?

[Answer] It is wicked to state that. Who anticipated such tremendous waves of immigration? I anticipated, I believed, and I fought for this. At the cabinet meeting, I voted against the budget. I pointed out that the immigrants were being forgotten. I had a program that I had submitted earlier to the cabinet. I prepared plans. Even now, I have not left scorched earth, I have not left people outside. The entire reserve that existed is what enabled the thousands who arrived not to live on the streets.

During my candidacy, I arranged for more than 50,000 housing solutions every year. I did not stop there. I accused the government of blindness, of not seeing the future. I called upon heaven and earth, and with that, I formulated plans. Those who speak of scorched earth had better look in the mirror.

[Question] Are you referring to Arik Sharon, who took your place in the ministry of housing?

[Answer] I am not referring to anyone. I am proud of what I have done. I look at myself in the mirror with pride.

[Question] In Sharon's office, it was claimed this week that prior to your leaving the ministry of housing, documents were destroyed there. Why?

[Answer] Nothing was destroyed. I left everything: the tools, the plans, the budgets and the land. Everything was formulated and prepared and left as a study arranged for execution. I hope that the plans will be executed. And if someone requests paternity of them and says: 'they are mine', I will answer him: 'Well done, the people of Israel will profit....'

[Question] Do you still dream to be prime minister?

[Answer] It is not a dream, but I will not avoid and I will not hide my ambition in this direction. If I am asked if I want to reach, after my struggle and from my path of gradual progress, the seat of the prime minister, I respond without blustering: "yes". To what extent I shall succeed, time will tell.

[Question] And the heart attack that you experienced does not change your plans?

[Answer] Perhaps my opponents hope so....

[Question] Did anything happen to your personality in the wake of the heart attack?

[Answer] With my hand on my heart, really nothing.

[Question] People who have experienced heart attacks say that a change has taken place in their personalities.

[Answer] I deny that. To this moment, I do not see any change.

[Question] Did it hurt your morale?

[Answer] Not that, either. You see, I laugh when I talk with you about it. But one must know that a person is not superman.

[Question] Will you continue the same lifestyle that you maintained until now?

[Answer] I will not change anything except smoking. I stopped that at the advice of the doctors. I will return to everything else gradually.

### **Southern Commander Vilna'i on Intifadah**

90AE0264B Tel Aviv IDF JOURNAL in English  
Jul 90 pp 3-5

[Interview: O/C Southern Command Major General Matan Vilna'i]

[Text] Maj Gen Matan Vilna'i graduated from the military boarding school attached to the Re'ali High School in Haifa, and was drafted into the Paratroopers in 1962.

Wounded in November 1966, Vilna'i held a command position in the Six Day War, and later became deputy commander of a Paratroop regiment.

In 1974, Vilna'i became commander of a brigade of Paratroop reservists, and the following year, commander of a regular Paratroop brigade. He took part in the Entebbe Operation in July 1976, and was then appointed commander of the IDF [Israel Defense Forces] Officers' School, which he left to study at the National Defense College.

Upon completing his studies, he was appointed Chief Paratroop and Infantry Officer, a post he held for three years. In 1981, Vilna'i transferred to the Armor Corps.

Having previously completed his B.A. in history at Tel Aviv University, in the summer of 1984, Vilna'i went to the Center for Strategic Studies at Harvard for a year. Upon his return, he became chief of the Manpower Branch, a position he held until being selected as O/C Southern Command in July 1989.

[IDF JOURNAL] The Intifadah has been going on for two-and-a-half years now. Would you give us an up-to-date description from the IDF's perspective as well as discussing your view of the Arabs?

[Maj Gen Vilna'i] First of all, the intifadah is pitting Israelis against Palestinians for the first time in many years. At this point, the outside influences are mostly organizational. In the day-to-day struggle in the field, it's us and them. The last time this was the case was before

the Arab armies waged a massive attack on the emerging State of Israel as independence was declared in 1948.

In the past 2-1/2 years, both sides have learned more about the restrictions of the other side, which enables each side to estimate more effectively what it is able to do. From our side, what this means is that we are dealing with a population that is involved in a great many small disturbances, characterized by rock-throwing. In fact, I'd say that for the Palestinians, the symbol of the intifadah is a child throwing rocks. Even if this child is really in the background, the society the he comes from stands behind him.

On the other hand, beyond their encouragement of small disturbances, at present, they just don't have the organization to accomplish anything more serious. This brings me back to my earlier point of both sides acknowledging their limits.

Even though the motivation exists, the Palestinians are finding themselves hard-pressed to translate it into practical actions, because the economic situation is so difficult. In the Gaza Strip in particular, the necessity of making enough to be able to exist just one more day, creates an extremely desperate situation. And this explains why there may be a large number of small disturbances, and almost no large demonstrations.

Is this also true as a result of the murder of Arab residents of Gaza in May?

What we see from the aftermath of an incident like the murder in Rish'on Letziyon, is that when the masses are inflamed, they take to the streets. But they don't have the ability to sustain such demonstrations for long. It is my opinion that even if the local leadership wanted masses to demonstrate for a particular purpose, they wouldn't succeed in rousing a significant number of people. It is not at all a question of a low level of motivation. The motivation is there. The problem is the ability of the rank-and-file to channel this motivation into disturbances on a daily basis.

Is the IDF responding differently today than it did at the beginning of the intifadah?

The IDF has gotten to a position of maximum effectiveness in dealing with the intifadah in Gaza. Our units are now properly equipped, and they have very clear orders about how to respond in specific situations. It may sound a bit hard to believe, but generally, the soldiers feel better about what they are doing in Gaza today. I say generally, because there is, of course, a difference between young soldiers and older reservists. Politics can't be separated from service in Gaza. There are those who say, Why are we here, while others say Our presence here it's strong enough.

You mentioned IDF troops being better equipped today. Could you be more specific?

One of the best examples of better equipment is the increased protection on vehicles so that even if stones are

thrown at them, the soldiers do not sustain injuries. In addition, our troops also have more effective equipment for dispersing demonstrations, in the form of either rubber or plastic bullets, which they use sparingly, and only if there is a real need. What we are starting to hear from reservists who are returning to Gaza for the third or fourth time, is that there is a marked improvement in the type of equipment at their disposal. When they are riding in a protected vehicle, they are obviously much less tense than when they are riding in one in which they expect to get hit with a rock.

The real problem the soldiers face is their inability to respond against children who throw rocks. This becomes the central problem because each rock is accompanied by debasing epithets shouted in perfect colloquial Hebrew. Despite this, it is completely against the orders to shoot at children or teenagers. The problem is, the soldiers obviously want to do something, because they feel that their lack of response is seen as a weakness. On the other side, wherever the IDF appears, the crowds disperse, because they are afraid of us. This causes a dilemma for the soldier.

Is this also a result of educational programs, or are you in favor of other methods to reach the soldiers?

We talk with them all the time. They have constant discussions with their commanders. We find this much more effective than any discussions with psychologists, educators or outside experts. The soldiers talk with their commander, because he knows exactly what is happening. He knows his unit, and he knows the situation on the ground. Anyone who comes in from outside can't possibly know the situation as well as those who are there.

Recently a reservist who is my age, and in fact served with me in Paratroops, told me to stop bringing the military prosecutors to explain under what conditions they are allowed to open fire. Let the commanders tell us what they expect from us, he said.

Does the decrease in the number of casualties since the end of last year signal a change in policy?

Yes, and I'm proud of this fact. During the month of May, for example, which was a terrible month for us because of the tragedy in Rish'on Letziyon, 14 people were killed in Gaza. As bad as this sounds, it was fewer than were killed during the month of May last year, when nothing out of the ordinary took place. Part of the reason for this change is that I personally investigate the circumstances surrounding any death in the territory under the command.

Eventually then will have to get used to the fact that we have a presence in Gaza. When people are killed for no apparent reason, no one is willing to accept our presence. But if our troops would someone who shot at them or attacked them with a knife, the population receives it differently than if a teenager is killed, which no one is willing to accept.



As a result of the change in policy, and because we had two months without casualties: November 1989 and February 1990, the general population understands that they are no longer facing an army that opens fire and kills with no apparent reason.

We've also relaxed the policy on curfews. When there is a specific reason, such as the reaction to the murders in Rish'on Letziyon, Gaza is put under curfew. But generally, the policy is not to have curfews.

If, from the very beginning, the IDF's activity in the intifadah has been a policing action, perhaps it should have been turned over to the police.

The Israel Police is meant to operate within the boundaries of the State of Israel, but the intifadah is taking place in territory that is under military jurisdiction. As such, the IDF is naturally responsible for dealing with the intifadah. I must add that in addition to the demonstrations, there are aspects of the intifadah that present a clear and present danger to the security of the State of Israel. For this reason as well, it is the IDF's job.

What about the terrorist element in Gaza?

Gaza has always been one of the major staging grounds for terrorist acts against Israel. Even before the intifadah there were numerous cases of Israeli citizens being murdered by residents of the Gaza Strip. Since the intifadah began, all of the major attacks on Israeli citizens have been perpetrated by Gaza residents, including the Tel Aviv-Jerusalem bus 405 attack and various murders in the Tel Aviv area. Terrorism has become a constant, real threat to Israel, and for objective reasons, only the IDF can deal with it. There are, however, hard cores of terrorists who are constantly trying to attack both soldiers and civilians in Gaza. We are prepared to respond to this type of threat.

Does dealing with the intifadah take the major portion of your time?

Not really. In dealing with the intifadah and all our other security concerns, the IDF has to be prepared for the worst case scenario. This is our job. At the same time that we are dealing with the intifadah, we also have to maintain regular security along the country's borders and improve our readiness.

### Naval Coastal Defenses Discussed

90AE0174B Tel Aviv BAMAHAANE in Hebrew  
27 Jun 90 p 12

[Article and interview by Oren Gazit with naval lieutenant; date, place unknown]

[Text] "In the sea, it is impossible to put up a systems fence" explains Lieutenant Junior Grade Haggai, the commander of a Super Dvora. "When we cruise along the coast of the security area in south Lebanon, the difficulty is in navigating by feature, because the area is

very broken, and visibility conditions change daily. We are dependent on weather conditions, personnel alertness, and other factors."

There is a demilitarized zone in south Lebanon under the control of U.N. forces. From the area of Zalut, north to Tyre, almost to the Litani, most of the coastal area is controlled by the Amal Movement, except for the enclave of the al-Rashidiyah, Miyah-Miyah, and Burj al-Jamali refugee camps, which are controlled by Palestinians who fight against Amal forces from time to time.

The coastal area is controlled by Dabbur or Super-Dvora, alternately.

The Lebanese coast is formed of basalt rock and coarse sand, and it is similar to the Akhziv area [along Israel's northern coast]. Therefore, it is easy for a cell of terrorists to hide in it. "We find it comfortable to cruise in the area, because the Dabbur can come within several meters of shore, which makes it easy to pursue a ship close to shore" explains Lieutenant Junior Grade Haggai.

The life of a soldier serving on a Dabbur is divided between a day at sea and a day at port. "Eight people live on a 20-meter ship, and you cannot have your own personal space," explains Tomer, a soldier on the ship.

The Dvora thus becomes a crowded house. Rugs, a television set, even a microwave can be found on board.

Each patrol begins with a rigorous check of instruments and practice firing on a simulated target, which are part of the maintenance of an itemized disposition for establishing a line of advance to search for mines and floating objects liable to damage the ship.

In 1986, a Dabbur establishing a line of advance discovered a suspicious object that was identified as an improvised mine. During the Iran-Iraq War, the Iranians adopted the sea-mining method and imported it to Lebanon.

Attack attempts are varied. Once a Shi'ite terrorist trained in Iran attempted to carry out a suicide attack. His goal was to strike a Dabbur by detonating a fishing boat filled with explosives. The commander of the Dabbur suspected the boat and did not approach it too closely. No one was injured, despite the great quantity of explosives.

Another method is for swimmers to carry out an attack. Two years ago, a number of terrorist-swimmers departed from a house located near the border. A Lebanese boy, whose brother serves in the South Lebanon Army [SLA], discovered them. The brother returned with reinforcements who eliminated the group of swimmers. The swimmers were equipped with wooden boxes in which weapons and equipment were stored. Their plan was to take hostages.

In another similarly planned attack attempt thwarted by IDF [Israel Defense Forces] in 1987, a kayak equipped with many weapons was employed. The terrorists were eliminated by a Dabbur.

[Oren Gazit] Is there cooperation with the civilian population?

[Haggai] "The IDF permits local fisherman to fish. However, at night, they are prohibited from going south of the al-Rashidiyah area, and during the day, they are prohibited from going south of the Zalat area. There is a fixed daybreak time. The problem is that they begin to move out of the area before the fixed time."

[Oren Gazit] How do you cooperate with air, infantry, and SLA forces?

[Haggai] "Cooperation is well drilled. If a Dabbur detects a target, and the target flees, the entire disposition moves northward in its direction. There is a very small chance that such a situation will develop.

"The Navy also cooperates extensively with Infantry Corps units on alert at different points along the coast to counter penetration attempts. As the commander of a Dvora, I am able to see and identify, on the map and visually, every point on the coast.

We also cooperate with the SLA forces, who are doing good work in the area and who can be relied on to maintain alertness."

[Oren Gazit] Have changes been made in the naval disposition as a result of an attempt to penetrate from the sea?

[Haggai] "There have been no changes in the northern sector, which is well defended. It has been 11 years since an attempt to penetrate by sea from the north has succeeded. Each team member is standing by to detect something and go into action immediately. We comb with all radar means to detect targets.

"The fine line between deciding to open fire on a target and deciding that it is an innocent boat, is in the hands of the commander, who is the equivalent of a company commander in the Army. No one is above him at the critical moment of target detection. The responsibility is entirely his."

At 21:12 hours, a target northwest of the Dvora is detected on the radar. A brief time elapses until the battle stations are fully manned and the Super-Dvora begins to pick up speed. The tension among the members of the team increases as they approach the target, which is ultimately discovered to pose no threat.

[Oren Gazit] Do you encounter intentional challenges on the part of Amal?

[Haggai] "Amal has no interest in Palestinians carrying out attacks from areas under its control. If an Amal force detects a boat of terrorists in its area, it fires at it. Amal's

overall aspiration is to remove all foreign forces from Lebanon, and it makes no difference to them if they are Israelis, Palestinians, or Syrians."

### Settlers View New Civil Guard

90AE0199A YEDI'OT AHARONOT in Hebrew  
29 Jun 90 p 7

[Article by Ariella Ringel-Hoffman]

[Text] The first day of work of the new-old minister of defense, Moshe Arens, has already proved fruitful: a civil guard in Ariel and Qiryat Arba' in the first stage and, later, additional guards in other settlements in the West Bank. In the evening, he had his picture taken with friends for the national archives and, at approximately 7:00 a.m., he arrived in Ariel to hear what was hurting the residents.

The establishment of a civil guard in the territories is relatively ancient to the characteristic Israeli pace of events, with more than a little controversy surrounding it. Arens was not the first to hear the demand. It was placed more than once on the desk of the previous minister of defense, Yitzhaq Rabin, and was brought, again more than a few times, before discussions within the relevant frameworks, such as the heads of the Judea, Samaria, and Gaza councils, discussions on the territories in the office of the chief of staff, and in meetings with the OCs Central Command, first Amram Mitzna' and then Yitzhaq Mordekhay.

The settlers spoke of the need to establish a body, another open eye to ensure their safety. They spoke of discrimination. They said that the refusal of the ministry of defense regarding the establishment of the body would not withstand the High Court of Justice, and if there would be no other alternative, they would turn to the Supreme Court. We wanted to understand, they said in Ariel, why it is that what is good for Petah-Tiqva is not good for Ariel.

The army, according to Benny Katzover, the head of the Samaria council, supported the demand. Three OCs of command, including the present one, recommended its establishment. According to Shalom Avivi, the security officer of Ariel, the police also supported the idea, and even went to the trouble of preparing a work paper on the matter, but the business was held up by the ministry of defense. Yitzhaq Rabin, says Katzover, refused to approve it out of political considerations.

Arens approved what Rabin did not approve. First, as stated, in two settlements, and the choice of settlements was not coincidental. Two important factors joined together here: the size of the settlements, and the fact that their residents had already established for themselves something like their own civil guards. These guards, established more or less at the beginning of 1989, with most of their activity during that same year, constituted a source of worry in the ministry of defense and, thus, also influenced the decision of the head of the

ministry. We do not need civil militias in the territories, said a senior officer during one of the debates, and there is no reason to grant them legitimacy.

The minister's decision, therefore, did not fall into blank space; rather, from the settlers' perspective, as Katzover put it, it came too late and too little.

In January 1989, a number of friends met at Shmu'el Rafa'eli's home in Ariel for something that was a cross between a gathering of friends and a founding congress. At that time, the ledger of events at the local station was full, and every day five or six incidents of stone throwing and attacks upon residents' vehicles on the Trans-Samaria road were being registered. Rafa'eli and a fellow by the name of Hezi Ambar took charge of the matter. We had a feeling, Rafa'eli now says, that there was a need to respond to the severe wave of violence. The body, which signed the manifests later issued under the name of "All of Us", now has a name. It was behind the large demonstrations organized by the people of Ariel, which more than once boiled over into initiated riots in the Arab villages along the Trans-Samaria road.

The business usually worked like this: information on stone throwing, a road blockade, or the throwing of Molotov cocktails that reached the military checkpoint at that location, and also reaching the heads of "All of Us". Rafa'eli, Ambar, or others would get into their cars and go for a horn-blasting spin through the settlement. Additional vehicles would gather and the motorcade would go down to the Trans-Samaria road and choose an Arab village for treatment. Usually Bidya or Kafal Har-ath. The business could end with the blockade of a road, a vocal demonstration of presence, and bargaining with the army. It could end, and has ended, with shattered water heaters in Bidya, broken windshields on the cars, and a violent spin through the Arab village.

That is not what characterized our activity, Rafa'eli will now say. These were the actions of hotheads who were condemned by the entire settlement. The army was forced to intervene, and the skirmish between soldiers and settlers would end with nervous tension. The discussion of the establishment of a civil guard in the settlements would always get around, at the beginning or toward the end, to actions of this kind, causing the senior officer to say what he said about the civil militias. In Qiryat Arba', by the way, the phenomena were much more severe. There, they did not always wait for a special event to send the guys for a spin through the town that would leave behind "Arabs who have learned their lesson".

It should be noted that, for this purpose, the people did not require arms from the civil guard. According to military orders, residents of the territories or, in any case, the great majority, carry personal weapons that are supplied to them by their original units.

The local initiatives that continued in the settlements during that year decreased toward the end of 1989. Approximately two months ago, following stone

throwing at a bus on the Trans-Samaria road, horns were heard again in Ariel, inviting the residents to come down to the junction, this time without great success. "All of Us", which was, according to Rafa'eli, an ad hoc body, had slowly dissipated.

The fear of a civil guard in Ariel, Qiryat Arba', and other settlements derives from past experience, from the feeling that things could repeat themselves and any slight rise in the volume of hostile activity in the area could send them down to the highway. That is what would happen. Some of them, at least, would do this under the legitimate roof of the civil guard. In effect, says a senior officer, who does not wish to be identified, they could act as civil militias. With or without the civil guard, they have all of the technical means to do so. I am worried by the card they will have in their pockets, and the use they are likely to make of it. In Tel Aviv, too, Arabs were dealt murderous blows under the patronage of those cards.

A long line of cubicle houses is located on the southern side of Ariel: prefabricated homes, single story homes, surrounded by small gardens. Located there are: the local council, the workers' council, the society for housing culture, an emergency medical station, a military point, the office of the settlement's security officer, the headquarters of the emergency household supplies, and a small police station that was closed on the day we were there. On the door was a small, typed sign. "If the station is closed," it was written, "it is possible to turn to the Qalqiliyah or the Tulkarm police." In handwriting, it was written underneath, "or to the Ariel station."

Eight policemen man the station, and two or three events requiring the presence of a policeman are sufficient to empty the checkpoint.

Shalom Avivi, the security officer of the settlement, wants to alleviate the distress of the policemen at Ariel's miserable checkpoint with the help of civil guard volunteers. Instead of three policemen going out for a task, a policeman goes out with two volunteers. Avivi does not totally understand what all the noise is about and what they are seething about in the Knesset. The civil guard, if one judges according to him, is a body that falls somewhere in the middle of the road between a tribe of boy scouts and a platoon of policemen.

The civil guard in Ariel, for example, will deal with the enforcement of the traffic laws, in order to prevent accidents on the Trans-Samaria road, and in the settlement itself. I don't have statistics, says Avivi, regarding the number of accidents, but I know that there are many.

The civil guard will deal with internal security not related to the events of the intifadah, at least not directly. It will deal with the wave of burglaries and thefts in the settlement, and will deal, or will attempt to deal, with the drug plague. We will not deal, says Avivi, with those who have been poisoned, but with those who can be immunized against this evil. The civil guard here, he says, will

do what it does not do within the green line. It will deal a lot with education and information relating to the use of drugs.

The civil guard, according to Avivi, will not deal with the intifadah. According to Katzover, it is mocking the poor to think that the civil guard could help matters. According to Rafa'eli, he would not join a civil guard that deals with security problems outside the settlement. I do reserve duty, contribute a night every two months for guard duty, and it is not reasonable that I should have to perform military tasks, too, he says.

Eight thousand people live in Ariel. A national average of the range of volunteers to the civil guard speaks of one percent of the entire population. That means something like 80 volunteers in Ariel. Twenty volunteers are already registered with Avivi for what he calls road safety patrols, whose entire focus is the prevention of road accidents. The others, he hopes, will join with time. He already has additional lists.

Chance conversations in the streets of Ariel do not suggest over-enthusiasm for the idea. People will say that it is important and good, but they will not run to volunteer. I will volunteer my husband, says one woman, laughing.

As stated, Arens' decision is worrying more than a few people. That worry was expressed by MKs Dedi Tzuqer from the CRM (Ratz) and Hayim Oron from the United Workers' Party (Mapam). Past experience proves, says Tzuqer, that the settlers did not take the law into their own hands, but created a new law. The civil guard is important to them because it raises their rank. From now on, no longer an ad hoc organization, but a permanent framework and organization. I do not recall, he says, problems of internal security in the settlements that justify its establishment. On the other hand, I estimate that, very quickly, they will spill over into security problems outside the settlements. Arens brought with him a change in orientation, and the building of such a force in the settlements will escalate the circles of provocation.

The claim that the days of the violent patrols are in the past is rejected by Doky Israeli, a member of the central committee of the CRM, who documents many of the settlers' activities. According to the material that he has gathered, just recently, three weeks ago, several settlers entered Beit Sirah and for half an hour conducted a violent patrol there, followed by gunfire. The army, which came after them, did not find any of them there, and the event almost certainly ended with some notation in one of the ledgers of military events.

Fears of the delirious, says Katzover, the civil guard relates to the margins of the intifadah, it is an aid in examinations and additional supervision, but has nothing to do with the intifadah itself. On the whole, he says, as a public, we have no interest in a civil body that will deal with the intifadah. The army must do that. What worries me, he says, is that steps of this nature, like

the establishment of a civil guard, are likely to be a substitute for appropriate action when dealing with the intifadah, and the controversy regarding the issue serves, in effect, as camouflage for the real intentions. Whoever is satisfied with the civil guard, perhaps, does not want to deal seriously with the intifadah, and whoever objects to the civil guard does not want them to dare to deal with it.

### Reforms Said Required in Agriculture

90AE0189B Tel Aviv HA'ARETZ in Hebrew  
20 May 90 p 3B

[Article by Hayim Be'ur]

[Text] Thousands of dunams of cotton in the north and south of the country have been sentenced to destruction this year as they were last year, two years ago, and three years ago. The news about the large cut in water quotas put a damper on the cotton branch as it nears the end of the cotton sowing season. In the best case, cotton acreage will be used for other crops. In the worst case it will be added to the approximately 100,000 agricultural dunams, which is five percent of the irrigated agricultural area in Israel, which are expected to be eliminated in the coming year.

The decision of the water commissioner this year to cut water quotas for agriculture is an additional blow to farmers, whose situation has not been bright in recent years. The cut in quotas is not uniform. It is 20 percent in areas north of the Sea of Galilee, where the low perennial amount of precipitation has declined by a third, 12 percent south of the Sea of Galilee to the Ashqelon-Qiryat Gat highway, and only five percent in the Negev. A calculation performed in the economic department of the Agricultural Center found that the damage to the kibbutz, moshav, and private agriculture as a result of the cut in water quotas approaches 100 million shekels. Each cubic meter of water that is cut reduces agricultural revenues by 40 to 45 agoras.

The need for a cut in water quotas does not stem from reduced precipitation. This year is not a drought year, and except for the upper Galilee, the eastern Galilee, and the Golan Heights, all areas of the country received an average amount of rainfall. The need for the cut developed as a result of a water deficit that originates, to no small extent, from an irresponsible water resource allocation policy. There was an increase in drawing that disregarded the limitations of the water economy and future needs. Even if farmers have contributed to the oversight to some extent, the official address where blame should be placed is the Water Commission.

Reports of the Agricultural Center indicate that the quantitative production of the branch continued to decline last year at a rate of 0.4 percent and that the decline in demand in the country's markets caused steep, real drops in prices.

The combination of the two led to a six percent decline in the value of total agricultural production in 1989 in

real terms. The branch's terms of trade deteriorated last year by 6.6 percent, and the earnings of farmers dropped during the last three years by 33 percent (compared to an increase of almost 10 percent in average wages in the economy). Against this background, it is no wonder that, since 1988, 4,300 persons have left agriculture. All indications point to the continuation of these negative trends this year as well.

#### Devaluation—Before the Season

The chairman of the economic branch in the Agricultural Center, Hayim Molkho of Kibbutz Urim, places the lion's share of the blame for the rapid decline of agriculture on the freezing of the exchange rate, which hurt agricultural exports. Molkho calculated that shekel expenditures by farmers for inputs increased last year by 21 percent, while the rate of the dollar in relation to the shekel was changed by only 10 percent.

However, Molkho argues, a devaluation of the shekel would not be sufficient. The timing of the devaluation has a direct effect on the situation of farmers. The devaluation would be of great value only if it is carried out before the agricultural season, which begins in October, i.e., before expenditures are made for the acquisition of agricultural tools, seed, irrigation, fruit picking, and so on.

Because the added value in agriculture stands at 80 percent, compared to an added value of 45 percent in the traditional branches of industry, and 60 percent in high-tech industries, agriculture requires less exchange rate insurance than industry, so that a devaluation of the shekel is of greater value to it.

Agriculture finds it difficult to adjust itself quickly to changing conditions. While the production cycle in industry is usually weeks and sometimes days, the production cycle in the agricultural branches is measured in terms of several months regarding cotton, vegetables, and peanuts, and in terms of years regarding citrus and avocado groves.

Agriculture is subject to natural damage and fluctuating yields (a surplus of fruit on the trees pushes prices down, or a shortage in the following year can push prices up on the market). Agricultural produce is also not easily transferred from the local market to export or vice versa, because of the immediate effect on prices of a market shortage or surplus.

Another difference compared to industry: Agriculture has very limited control on prices in local and export markets. The prices of agricultural produce are mainly determined by supply and demand and the power of competitors. In industry, on the other hand, prices are determined through contracts, and the manufacturer can more or less predict in advance the proceeds to be received. An examination of the subsidy that is given to agriculture in Israel, including the livestock branch, shows that it does not exceed three percent of the value of product. For the purpose of comparison, the states of

the European common market subsidize agriculture to the amount of more than 30 percent of product value.

The losses that are accumulating in agriculture and the cut in water quotas will compel farmers, especially the establishment cadres whom they have cultivated, to move away from traditional concepts in the growing branches and marketing systems. The area cultivated with cotton, which has already been reduced by 48 percent in the last five years, will have to be reduced further (although cotton can be irrigated by hose water, which is considered inferior). Farmers will also have to make a similar cut regarding field crops such as cantaloupes and melons, and there is no reason for a similar cut not to be made regarding tomatoes and corn grown for industry, both of which incurred losses this year due to export surpluses originating in the United States.

The marketing systems of farmers must be re-examined. The main need is for a change in the concentrative-monopolistic export system. There was a need for a consistent decline, lasting a decade, in citrus exports, so that the Citrus Marketing Council would bow to the demands of orchard owners to concede its exclusivity regarding the export of citrus of a certain species, the kumquat. More and more farmers, mainly citrus growers, argue that the marketing councils, which are subordinate to the Agriculture Ministry, impose their terms on farmers and create a conflict of interests between the marketing and transport systems on the one hand, and growers on the other. The growers' right to freely choose the marketing body through which they export their produce, mainly fresh produce, will serve as a whip to make systems more efficient. Here, a first step can be made to reduce the farmers' losses due to transport costs, for which they are currently demanding compensation from the government's ministries. Perhaps the reduction in water quotas, followed by a cut in the growing areas, will provide a time interval in which to rethink the continued worthwhileness of loss-plagued crops and the reorganization of agricultural systems.

#### Antisemitism, Arab Governments Discussed 90AE0264A Jerusalem THE JERUSALEM POST in English 9 Aug 90 p 4

[Article by Raphael Israeli]

[Text] A decade ago, following the Khomeinist revolution, Iran became a rabid foe of the Jewish state. Then, despite the eight-year war between Iraq and Iran, a vitriolic anti-Israelism became the common denominator uniting Iranians, Arabs and other Muslims.

It was this community of purpose that brought the Ayatollah Khomeini and Yasir 'Arafat to declare in Teheran in 1979: "Today Teheran, tomorrow Tel Aviv." And it remains the motive behind Iranian assistance to the Lebanese Hizballah in the latter's fight against Israel.

Khomeini's dubbing the Jews "the enemies of Allah" and his call to rescue the Holy Land from their grip

became the paradigm for a vicious wave of antisemitism in the Islamic world. The direct involvement of Arab governments in printing and disseminating The Protocols of the Elders of Zion as a "scientific document" and their repeated allusions to "blood libel" as a "historical truth" have been coupled with their open alliance with the extreme right in Europe and with revisionist historians who deny that the Holocaust happened.

Apart from the traditional Arab-Muslim view of the Jews as "miserable," "greedy," "scheming," and, therefore, doomed to eternal sub-mission to the rule of others, notably the generous and protective practitioners of Islam, many European antisemitic elements have seeped into modern Islam and have become part and parcel of the doctrines of fundamentalists among the Muslims.

On current accusation is that Jews are racist, due to the "evil nature" of Judaism itself. This is "documented" by fake or out-of-context citations from revised versions of the Bible and the Talmud, and stereotypical accounts of the Jews taken from both Islamic tradition and European antisemitism. The story of the Exodus is retold so as to make Pharaoh the hero and the Jews the rascals. The Jews are said to have always abused the generosity and hospitality of the Muslims by stirring up unrest against them—from the Jews of Medina who betrayed the Prophet Muhammad to the Jews in today's Arab and Muslim world.

Logical contradictions notwithstanding, Arab-Muslim writings impute to Jews the founding and operation of both capitalism and Communism; they are accused of arrogance and aggression, but also of cowardice and treachery. When John Kennedy was president, he was accused of being under Jewish influence, like all American presidents before and after him; but when he was murdered—that was the nefarious doing of the Jews. Since Darwinism does not accord with the Islamic belief in Creation, Darwin becomes a Jew in Islamic rhetoric.

According to Arab-Muslim antisemites, the Talmud orders Jews to hate all other faiths; Jews are therefore allowed to commit any crime against the followers of other religions. The Talmud teaches Jews to cheat others, and to rape non-Jewish women. According to Anis Mansur, the prototypical antisemite in the Arab world, Jews heed the counsel of the Protocols that they become obstetricians so that they may perform countless abortions upon Gentiles, thereby reducing their numbers.

School textbooks in the Arab world, including post-Camp-David Egypt, are perpetuating the accusation that the Jews betrayed the Prophet, as they did Christ, which Muslims often repeat to the delight of their Christian partners in antisemitism.

These and other fabrications against the Jews have become daily fare among fundamentalist Muslims of Israel. Two offshoots of the Muslim Brotherhood are of special interest to us in Israel: the Hamas movement in the territories and the Islamic Movement in Israel proper.

The Hamas, an alias for the Islamic Resistance Movement, published in 1988 a platform that says, inter alia:

- The Hamas is committed to Holy War against the Jews until Allah's victory has been won.
- The Land of Palestine, which is a waqf (holy trust) land, must be cleansed of the impurity and viciousness that the Jews have brought to it; Muslims are under the obligation, by order of the Prophet, to kill Jews wherever they can find them.
- The Jews have taken over the world communications media and financial centers. By fomenting revolutions, wars and such movements as the Freemasons, communism, capitalism and Zionism, Rotary, Lions and B'nai B'rith, they are subverting human society in order to destroy it and take over the world through such of their pet institutions as the League of nations, the UN, and the Security Council. Their schemes are detailed in The Protocols of the Elders of Zion.

The Islamic Movement in Israel, which made its first major institutional impact after the local-authority elections of February 1989, has in fact only brought to the surface the tip of an iceberg that was hitherto submerged in a sea of double-talk and deceit.

Until recently, the Muslim fundamentalists in Israel were careful not to cross the ill-defined bounds of legality. But in the wake of their electoral successes, the continuation of the intifadah and the failure of the Israeli authorities to take legal steps against the fundamentalists, Islamic rhetoric in Israel against Jews and Israel has escalated in recent months.

Here are just a few citations from the Islamic Movement's journals, edited and printed in Umm-al-Fahm, the largest Muslim township in Israel:

- A poem, "Identity," hails "the future glory when our patrimony—Yafu, Jerusalem, the Triangle, Galilee, Yizre'el Valley... will be retrieved..." (Al-Sirat, March 1989).
- "Their [the Jews] arrogance is proof that they have learned nothing from history... The laws of the universe will bring upon them a decisive rout, the like of which they suffered at the hands of the Romans... They will always be parasites in other civilizations due to their obduracy and defiance of history and its laws." (Sirat, August 1989).
- "We want the banner of Allah to be proudly hoisted anew over all the lands that were at any time under the wings of Islam" (Sawt al-Haqq wal-Hurriyah, December 1989).

All this, and much more, is said by a group of Israeli citizens who are clamoring for equality and claim that they are "playing by the rules." In fact, they are exploiting the liberties inherent in Israel's democratic system to attack it and subvert it.

**JORDAN****Aspects of Water Problem Discussed****Increased Consumption Reported**

90AE0196A Amman AL-RA'Y in Arabic  
14 Jul 90 pp 1, 28

[Article by Miryam Shahin]

[Text] Mr. Mu'tazz al-Bilbisi, secretary general of the Ministry of Water and Irrigation, said that the current drinking water deficit from which the central and northern regions of the kingdom are suffering can be countered and reduced by following methods of rationing, proper usage, and repairing leaks in the water networks.

Mr. al-Bilbisi explained in an interview with AL-RA'Y and the JORDAN TIMES that it would be possible to overcome the severe deficit that we face for the second year in a row with the cooperation and reasonable participation of every citizen.

He added that the authorized agencies were working around the clock to repair leaks in the water networks.

He stated that leakage represents one of the issues that demands attention.

He said that at a time when demand for water is increasing by 10 percent a year, new sources are not being discovered to replenish the water reserves in the kingdom. Most of the water available in the surface ground layers has been exploited, and studies are being done now on exploiting the water in the lower layers.

Among the regions under study are al-Sirhan, al-Disi, and al-Azraq, since the water in these regions goes down to a depth of 1000 meters.

The Amanah Amman region needs 12,000 cubic meters of water to cover its needs through the summer months, whereas we only have available to us 9,000 cubic meters.

Mr. al-Bilbisi said that Jordan consumed 175 million cubic meters of drinking water in 1989.

He proceeded to say that in the other regions of the kingdom in the south and center, citizens do not suffer from a scarcity of water of the same severity; nevertheless the situation requires that the consumption of drinking water be rationed.

**Solutions to Problem Proposed**

90AE0196B Amman AL-RA'Y in Arabic 16 Jul 90 p 3

[Text] The underground water studies section in the Ministry of Water and Irrigation has drawn up a number of proposals for solving the water problem in Jordan.

The proposals included:

First: Protecting the pressurized artesian strata from loss by digging a limited number of wells for the purpose of well-studied direct utilization and not for the purpose of exploration or experimentation, and installing shut-off valves or building cement chambers to prevent the well water from leaking out.

Second: Preparing precise estimates of the available water reserves that could be utilized for all the water basins, and not exceeding the upper limit of the amount pumped proportional to annual replenishment so as to prevent the encroachment of salt water.

Third: Protecting the ancient, non-renewable, strata of underground water, and not depleting them with unproductive agriculture in the desert regions.

Fourth: Making precise measurements and estimates of the amount of surface water available in the valleys and plains, recording them in regular, precise records, and issuing annual technical publications on that.

Fifth: Making precise, comprehensive, and periodic chemical and vital analyses of any water source before utilizing it for drinking. For greater precision it would be preferable to have the analysis done by more than one laboratory.

Sixth: Advising factories and gas stations to transport their residues to desert locations far from sources of water, after they have been purified with special compounds.

Seventh: Placing the main drinking water reservoirs under the oversight of qualified chemists who would keep an eye on them and do constant chemical analysis.

Eighth: Achieving a stable and long term water balance, and preparing a water yearbook for Jordan in order to regulate the utilization of water sources.

Ninth: Setting up well-defined water programs for exploiting the underground water connected with private wells, and installing special meters to limit the amount that may be pumped daily.

Tenth: Ensuring the effectiveness of purification stations, and transporting their entire production by pumping it through special pipes to the eastern desert regions of the kingdom, and establishing artificial desert lakes of the purified water to be used for desert forestation and treating desertification.

Eleventh: Not digging deep wells in the regions close to the Dead Sea so as to eliminate salt water, and limiting the number of wells in those regions.

Twelfth: Giving a qualified department the task of studying and planning sources of water, and giving those who are qualified and competent in the field of water the opportunity to participate in laying down a water policy for the kingdom, and relying on open, collective decisions for dialogue and scientific research before carrying out the projects.



Thirteenth: Making a precise study of circumstances before implementing them, and carrying them out in stages according to the funds available for that. Thus, a pipeline project in some city would be implemented partially, in one area and then another, with the amount that would cover that, but avoiding digging up the streets of the entire city then waiting for the arrival of the allocated assistance.

Fourteenth: Programming the computer to make an exception of any value of a private home water bill which is several times more than the 2-year average of the previous cycles, and to take the calculated average of the value of these cycles and enter the exceptional value into a special list so that it might be followed up on and its causes determined, of course.

Fifteenth: Choosing safe locations for garbage dumps so as to be far from wells and water sources, and forming a committee specializing in and qualified for that.

Proposing these solutions and recommendations will help in taking scientific measures to protect our sources of water and in following a well-studied policy for successful management and regulated utilization of water sources, God willing.

## KUWAIT

### Foreign Minister Discusses Crisis

90AE0255A London AL-SHARQ AL-AWSAT in Arabic  
16 Aug 90 p 4

[Article by Muhammad Sadiq: "Kuwait's Minister of Foreign Affairs Tells AL-SHARQ AL-AWSAT: 'Saddam Deceived Everyone and Carried Out His Premeditated Invasion; We Will Turn to Everyone Who Is Willing To Help Us Save Kuwait'"]

[Text] Shaykh Sabah al-Ahmad al-Sabah, minister of foreign affairs and deputy prime minister of Kuwait, said that his meetings and conversations with American President Bush and Secretary of State James Baker were productive and important, and said: "President Bush assured me of America's firm, fundamental and persistent commitment to end Iraq's occupation of Kuwait and to return the legitimate, representative rule of Shaykh Jabir al-Ahmad al-Sabah, and Crown Prince Sa'd al-'Abdallah al-Sabah, and his government. Bush also informed me of the agreement of the five permanent members of the Security Council on sanctions, and of the resolutions of the General Assembly."

Shaykh Sabah al-Ahmad told AL-SHARQ AL-AWSAT yesterday evening that Kuwaiti resistance to the occupation has been organized and that the world would hear about such resistance activity next week.

Kuwait's minister of foreign affairs refuted the claims and allegations made by Iraqi President Saddam Husayn to justify his invasion of Kuwait. The president of Iraq claimed that Kuwait had conspired against Iraq; he

claimed that Kuwait was working on a plan to occupy Iraq; and he also claimed that Kuwait was stealing Iraqi oil and exceeding its oil production quota which was set by OPEC for member countries.

Shaykh Sabah said that these allegations, especially the one about Kuwait working on a plan to occupy Iraq, were false. He said, "We stood by Iraq in its war with Iran, and we placed our resources at its disposal. But Iraq's reaction to that was the occupation that Kuwait is experiencing!"

Shaykh Sabah said, "It is absolutely not true that Kuwait was stealing oil. It is known that 90 percent of al-Rumaylah oil field is located on Iraqi territory and 10 percent on Kuwaiti territory. It is also known that Kuwait has been producing 12,000 barrels of oil a day from that field since 1976. Iraq knows that, and this allegation is not true.

"But the invasion and occupation, unlike this and other allegations which were made to mislead, were premeditated and planned. They were deliberate acts which were planned some time ago." Kuwait's foreign minister said that Kuwait had increased its oil production based on an agreement reached at OPEC meetings. Kuwait increased its oil production after seven OPEC countries increased theirs. Then he added, "No one imagined that Iraq would invade Kuwait as it did, particularly since the Iraqi president had assured Arab kings and presidents that he would not invade Kuwait. The Iraqi president gave assurances that he would not invade Kuwait to King Fahd Ibn-'Abd-al-'Aziz, the Custodian of the Two Holy Mosques; to Egyptian President Husni Mubarak; to King Husayn himself; to Algerian President Chadli Bendjedid; to the American president through the U.S. ambassador in Baghdad; and to others. But he deceived everybody and carried out the premeditated invasion. As a result, no one trusts him or believes him." Shaykh Sabah denied any knowledge that diplomatic mediation efforts were being made to find a solution, and he said that no one was engaged in any mediation effort. Shaykh Sabah said, "What would such mediation efforts be based on? Kuwait is occupied, and no one trusts the Iraqi president. The solution is the complete and unconditional withdrawal of Iraqi troops from all Kuwaiti territory."

Shaykh Sabah repeated, "Although Iraq managed to occupy Kuwaiti territory, it did not and it will not be able to establish a hold over the Kuwaiti people. Iraq will not be able to have a hold over the will of the Kuwaiti people and their determination to liberate their land."

Shaykh Sabah affirmed that ending the occupation is the goal of Kuwait's Amir. It is also the goal of Kuwait's government and the Kuwaiti people. "What matters is the liberation of Kuwait." Kuwait's foreign minister said that he would even ask the devil for assistance "to liberate my country," but he cautioned, "No, I would not seek assistance from Israel. That would be impossible." He said that he would turn to anyone who would help



Kuwait to save the country and its people from destruction. He said, "In all the discussions and meetings we had with them, the Iraqis concentrated on financial affairs in their discussions and their talks." Shaykh Sabah articulated his hope and his belief that the present situation in Kuwait will not last long. He stressed that resistance will grow, and he said, "the support and assistance we requested from fellow Arabs in the GCC [Gulf Cooperation Council], from Arab countries, from the Security Council, and from the countries of the world continue to grow."

In talking about the resistance Shaykh Sabah said, "Committees to oppose the occupation by all means and methods have been organized in every area. Since the first day of the invasion resistance to the occupation has been heroic. The resistance inflicted losses on the invading troops."

Kuwait's foreign minister responded to Iraq's allegation regarding the troops that have been brought into the area and are amassing in it. He said, "It is the Iraqi president who created this situation. Ending it would also end its consequences."

Kuwait's foreign minister said that Kuwait's legitimate government was conducting business as usual and communicating with others from another location.

At a press conference which was held earlier, Shaykh Sabah had said that Kuwait regretted Iraq's decision to prevent foreign nationals from leaving Kuwait. He added, "But today Kuwait is occupied, and the Kuwaiti government can do nothing about that. It is up to the whole world, which has stood by Kuwait and sided with its cause in a manner that has been unprecedented for scores of years." He said, "Under the sovereign state and government of Kuwait foreign nationals were treated with dignity and respect. The whole world knows that." Then he said, "Kuwait does not want a single drop of Arab or non-Arab blood to be shed in vain." When asked what he thought about King Husayn's position, Shaykh Sabah said, "I cannot analyze his personality or his position, but I hope that he will come back to his senses and return to his brothers who stood by him throughout the past years."

Shaykh Sabah denied that any contacts had been made between Kuwait and Iraq after the aggression and invasion. He said the last contact between the two countries was made one day before the invasion. This was the meeting that was held as a result of the efforts made by King Fahd, the Custodian of the Two Holy Mosques, and Egyptian President Husni Mubarak. At that meeting, which was held in Jeddah between Crown Prince Shaykh Sa'd al-'Abdallah and Iraq's Vice President 'Izzat Ibrahim, an agreement was reached to hold meetings in Iraq and Kuwait. Unfortunately, however, the invasion took place hours later.

Kuwait's foreign minister denied that Kuwaitis were serving in the government that Iraq had installed in Kuwait, and he said, "No one knows who these people

are and no one heard of their names. These people are Iraqis." He said that not a single Kuwaiti was cooperating with the occupation, and he also said, "I challenge anyone to prove otherwise."

Shaykh al-Sabah declared that after visiting Washington, he would travel to London, Paris, Moscow, Beijing, and Tehran. He said he would be carrying messages to the leaders of these countries from Shaykh Jabir al-Ahmad al-Sabah, the Amir of Kuwait, just as he had carried a message to President Bush from the Amir. He said that his trip to Tehran was being made in the context of the other trips he was making and that he was going to Iran at the invitation of Iran's minister of foreign affairs, Ali Akbar Velayati, who had visited Kuwait recently.

Shaykh al-Sabah confirmed that looting and destructive activities had taken place and that even food had been stolen.

### Editorial Comment on Houston Economic Summit

90AE0228A Kuwait AL-WATAN in Arabic  
14 Jul 90 p 10

[Article by Dr. 'Ayid al-Mana': "Economic Aid for Political Purposes"]

[Text] The leaders of the seven western industrialized nations ended their summit in Houston without reaching a final decision in connection with giving economic aid to the Soviet Union. While the leaders of the seven nations agreed on giving economic aid, they differed on the timing. Germany and France, for example, wanted the aid to be given now to bolster the position of Soviet leader Mikhail Gorbachev, who appears to be facing political difficulties in reconciling the viewpoints of the conservatives, who are trying to have the Soviet Union back away from converting to the free market system, and the liberals, who are pressuring for irrevocably forsaking the socialist economy. It appears that France and Germany are interested in having western economic aid to Moscow be a bait through which to gain Moscow's blessing for German unity, but the German-French precipitance was not encouraged by the United States and Britain. The United States' justification is that Moscow's needs require time to study. It might seem outwardly that the American President wants to know the extent of the benefit of western economic aid to the Soviet economy, and it might seem outwardly that the western nations are eager for Gorbachev to succeed in converting the Soviet Union from the socialist system to a democratic system similar to the political structure prevailing in the west. This is the cloak; the American President made the essence of the matter clear when he insisted on having a presidential study to clarify how aid can be given to Moscow and the steps—and this is most important—which Moscow is taking to convert to the market economy and limit military spending and aid to Cuba.

If the Americans considered postponing giving economic aid to Moscow a victory for President Bush's point of view, the likelihood nearer to reality from our point of

view is that the seven leaders wanted to send a signal to Moscow that their giving economic aid requires Moscow's agreement to accept the conditions of the western camp, among the most important of which is that the Soviet economy convert from an economy based to a large extent on collective ownership for means of production and centralized planning of economic activity to an economy based on giving freedom to private ownership and noninterference by the state in economic activity except within the narrowest limits. This is what the American President means by the steps which the Soviet Union is taking to convert to the market economy. This is first. Second, the west, under the leadership of the United States, wants to be certain that the economic aid will not go to the war industry. What interests the west, despite its eagerness for Gorbachev to succeed, is that the military balance tip in favor of the western camp through the Soviet Union's halting development of its military capabilities at a time when there is nothing to prevent the west from developing its own military capabilities.

Third, the west wants to compel the Soviet Union to fall back on itself economically, and consequently politically, by abstaining from offering economic aid to countries which were linked to the Soviet Union ideologically, politically, and economically and which consider Soviet economic support for them an unalterable necessity. But the west sees no justification for giving economic aid to the Soviet Union so long as the latter is not openly committed to not giving economic aid to countries like Cuba, which is still ideologically committed to its socialist leanings.

Fourth, the seven industrialized nations are planning to assault the Soviet market and the markets of the other socialist countries for converting from a socialist economy to a market economy means providing the opportunity for commercial competition and capital investment, and there is no doubt that the capitalist countries are more capable and experienced in working in this field. This is from one standpoint. From another standpoint, the western capitalist institutions do not expect to give their funds and administrative and technical expertise without planning for financial profits, even long range, for profit is the primary motivator for these private institutions. No less important and serious than that at the same time is these institutions' contemplation of converting the Soviet market to a market that relies on the products of the capitalist, industrialized nations, and they are products which it appears that the Soviet market direly needs, especially foodstuffs and consumer goods. No less serious than that also is the giving of financial loans through the International Monetary Fund and the World Bank and other western institutions, for through loans a number of developing countries have become hostages to Euro-American policy, and they are countries which are no more important to the west than the Soviet Union.

These conditions only pivot around a strategic goal, which is to strive for the downfall of socialism as a

political doctrine opposed to the capitalist doctrine, and there is no doubt that the Soviet Union's acceptance, if that occurs, will be a preamble to the expanded hegemony of the capitalist countries and their control of the destiny of the world politically and economically. Then there may not be any need to talk about prior conditions for giving economic and technical aid; there will only be mortgaging to the domination of the west and its exploitation of the riches and the markets of the world.

## LIBYA

### Series Questions Role of Religion in Politics

90AA0228A Tripoli AL-JAMAHIRIYAH in Arabic  
28 May, 1 Jun 90

[Article by Salma Rashid: "Religion and Politics"]

[28 May 90 p 16]

[Text] A First Axis: What Is the Relation of Religion to Politics? This question epitomizes one of the greatest intellectual dilemmas facing contemporary Arab Islamic thought. We say "dilemma" because disagreement still exists between opinions. Schools of thought still hurl charges and words against each other—sometimes also shots. There has been no agreement on a stable relationship to regulate the interaction of the two. We do not claim here that we shall satisfy all the sects or solve the disagreement by a magic recipe. However, we will try to throw new light on the issue, and this may lead to bringing the solution closer.

Regardless of anything else, we will look directly at subjects—each of them in its place. We will try to find where religion and politics come close to each other and where they separate. Then we will try to understand the nature of the relationship, if one exists.

### What Is the Subject of Religion?

The subject of religion is first of all the relation of man to God, the hereafter, this world, the day of judgment, the relation of man to the universe, and the relation of man to man. Because it is religion, it cannot be transitory and contingent; rather, it is characterized by perpetuity and comprehensiveness in its precepts. Its essence is prior to every time and place. In order that this may be realized, we find that it deals with essential truths about man and the universe—truths that are constant, everlasting, eternal, true at every time and place, unchanging, and unalterable. All that changes is the degree of man's consciousness and the extent of his comprehension of these truths. This kind of change takes long periods measured in generations and centuries—i.e., as much time as a particular civilization needs to return to its roots to find its own strength. Swift and violent upheavals do not occur in it, because they are an issue of belief and faith, and this lies at the core of human life.

### What Is the Subject of Politics?

Belief in or denial of the existence of God cannot be the subject of a political decision. That would superficialize and trivialize this sacred relation. One cannot measure the relationship between the earth and the sun or between man and the angels on the same scale. None of these relations can be a subject for politics, and politics may not arrogate them to itself. Politics deals with the relation of man to man and his relation to the environment. This is an area of resemblance and perhaps of intersection between religion and politics. However, even in this sphere, the interest of politics in these relations is limited to the circumstances of time and place. Politics deals with human and natural truths that are transitory, contingent, and conditioned by time and place. From this point of view, the manifestations of a certain relation may differ at the same moment of time from place to place, even to the extent of contradiction and conflict. This also applies to place. The manifestations of a certain relation may differ at the same place from moment to moment of time, even to the extent of transformation into the contrary.

What happens if something constant is treated as variable? What happens if an essence is treated as an accident or as relative? What happens if the issues and concerns of religion are treated like the issues and concerns of politics? This will surely rob religion of its character of perpetuity, eternity, and essentiality. It will transform religion into immediate, accidental issues that can be objects of bargaining and agreement—a card in the hand of the players in the game of politics. Everyone can see the harm that this does to religion, its sanctity, and its place in the scale of the priorities of human life.

### A Second Axis

Borrowing a term from sociology, we say that religion—whether a revealed religion or a philosophical belief—is the superstructure of society and the philosophy that controls it. However, in view of the multiplicity of religions and philosophies, we find that each philosophy attempts first to dominate its environment, and secondly to widen the area of its domain. This is not due to the nature of philosophy as philosophy or of religion as religion, despite the existence of a few aggressive philosophies and religions. It is due to the nature of their adherents as human beings, each of whom believes that he is best, soundest, and most capable. Thus, when he chooses, he chooses for all humanity. He would like to have all mankind share his choice, so that he can feel harmony and likeness with them, and not suffer isolation, loneliness, and separation. This philosophical conflict—ideological conflict is a subspecies of it—is a political conflict in field and appearance. It is one of the important dimensions in the political movement of any community. In other words, the subject of politics is the conflict of philosophies as choices. Religion per se or in terms of its content is not the subject of politics.

### A Third Axis

Religion is the sum total of values and beliefs that the individual (and the community) holds and that order his life, his behavior, his actions, and all words or deeds proceeding from him. Neither the individual nor the community can live without their convictions or behave according to another logic, or else the individual would be an amorphous being whose character had no features and whose existence had no meaning. In any case, the individual strives to create harmony between belief and actions, between conscience and behavior. Thus all the private (individual, personal) acts proceeding from him or public ones affecting others (political) in reality proceed from his religion or philosophical belief. This means that no individual or group has the right to claim to speak in the name of religion or to monopolize affiliation with it, as long as the society or the community belong to the same religion or philosophical belief. Such a claim is pure politics—a trafficking in religion. Those who do so must be firmly deterred, because they are presuming upon the things most sacred to the society and making them a means for maneuvering, manipulation, and political deceit.

### A Fourth Dimension

Given the present state of intellectual alienation and cultural dependency in the Arab homeland and the Islamic world, and given the blind imitation of everything Western, some so-called intellectuals have imported into our societies certain peculiarly Western intellectual and cultural problems on the pretext of civilization and competition. They have involved themselves and us along with them in endless unjustified and unnecessary problems, only because of their alienation from themselves and the culture of their society. Among these issues that have been transplanted verbatim is the problem of religion, the state, and politics. Religion in the Christian West is the church—an intellectual and material institution of the state. The history of the church's relation to politics is well known. The course of the retreat of its role from political life is also well known. The church claimed to be God's deputy and humanity's guardian. It tasked itself as an institution with responsibilities that were not its right and that it was not able to perform. As a result, it collapsed under the weight of its burdens and became (also as an institution) a burden to itself and to its society. Because it was an institution within society, it came to be besieged, curbed, and even reduced to insignificance (as happened in the Marxist countries).

[1 Jun 90 p 8]

[Text] Islam, however, is completely different. It is not an institution of society. The attempt by some people claiming to aid and protect religion to turn the mosque into the equivalent of a church, create a clergy from the shaykhs on the model of priests and pastors, and make the role of the mufti and his office synonymous with that of the pope and his see is in reality an attempt to curb the

Islamic religion, so that it can be easily dominated, suppressed, and subjected to the control of the political establishment. This indeed happened during many periods of Islamic history up to the present day. We need only mention the fatwa by some so-called shaykhs to the now buried al-Sadat at the time of his treason and how he simply pushed religion to the margin of life, instead of its being its heart, mind, basis, and goal.

If one follows the movement and course of history, it becomes very clear how ruling classes have used religion to justify the unjust relations existing in oppressive societies since the age of masters and slaves, feudalism and serfs. They have used religion as a better means of ruling and controlling peoples, since religion represents a spiritual authority not subject to debate by the masses. Thus the socio-economic situation was linked to God, and He was made the guardian of the coffers of the wealthy and protector of the domain of kings. It was said that these kings were descendants of the Prophet, and that they must be obeyed and respected and not rebelled against.

When socialist principles were implemented in the Jamahiriyyah, the bourgeoisie tried to frustrate the socialist project by spreading the idea that religion was incompatible with socialism. They said, for example, that the Prophet had been a merchant and had in fact been an employee in Khadijah's business—this in regard to the principle of "Partners, not employees." In regard to the principle that "The house belongs to its resident," some fatwas appeared prohibiting prayer in a house that is not property ("property" implying payment for the house to its owner).

I have cited these two examples merely to clarify the picture. One view sees the origin of the *madhabs* [Islamic legal schools] as juridical—that the Maliki and Shafi'i schools did not really have a political origin, but that their origin was intellectual—independent readings of Islam whose founders were entirely concerned with helping the people of their age understand religion in accordance with the cultural components of their age. Political accommodation occurred later, after the rulers had died and the rich espoused particular legal schools for political ends and purposes. They would found *madrasahs* [Islamic law schools] and force the teachers in them to teach a particular *madhhab* [legal school], and they would withhold the pay of those who disobeyed. Matters reached the point of prohibiting people from asking about questions of religion and accusing them of apostasy and heresy. This happened when politics turned religion into a state institution so that it could be domesticated. Disputes between the legal schools deepened because of the political content. One of the most foolish questions raised as a result was whether a Hanafi man might marry a Shafi'i woman who said, "I am a believer, God willing." The question was settled only on the analogy of the permissibility of marrying a woman of [differing] religion. The other view [of the origin of the

legal schools]—the one I believe to be the correct analysis—is that the basis of the legal schools that grew up in Islam was a political conflict.

Since Islam formed the religion and the state in the age of the Prophet and the rightly guided caliphs, there were some who used this as an excuse to justify gaining power and who used religion as a means not to propagate religion but to rule the largest possible area. This is proved by the fact that no cultural heritage from the Muslims has survived in Sind and Spain and by the recent conflict between the Persian and Arab nations.

Human history never witnessed anything like the conflict that occurred in Islam. The real reasons for this conflict escaped the notice of Muslims. They were not aware of the real state of affairs and the objective reasons for this conflict. Instead, they clung to marginal superficial reasons in their explanation of the nature of the conflict.

Anyone who has followed the course of events on the Arab scene at the beginning of Islam clearly sees that division began to develop at the death of the Prophet, who named no one to succeed him. As the receiver of revelation, the Prophet Muhammad constituted a supreme religious authority, and he was obeyed in civil matters. Therefore, in his lifetime nothing stemming from the phenomenon of difference arose. The *Ansar* ["helpers," Muslims from Medina] saw themselves as most entitled to be successors (caliphs) of the Prophet because they had helped him and had received him in their city. On the other hand, the *Muhajirun* ["emigrants," Meccans who followed the Prophet to Medina] saw themselves as most entitled to the caliphate because they were from the Banu Hashim and because the Noble Prophet was descended from their stock. The onset of this temporary conflict and also the political conflict ended with the meeting in the porch of Ibn-Sa'idah and 'Ali's lack of agreement when Abu-Bakr al-Siddiq was chosen. A new kind of leadership, viz. selection, can be considered to have been established at that time.

After Abu-Bakr, [the caliphate] was bequeathed to 'Umar Ibn-al-Khattab. Another method of succession was thereby established, one that did not treat rule as hereditary or as the extension of Abu-Bakr's lineage. Then 'Umar Ibn-al-Khattab established yet another kind of succession, consisting of a council (*shura*) limited to six people and the election of one of those he recommended.

The conflict appeared at its sharpest in the heated conflict between 'Uthman and 'Ali. It was from about that time that the first signs of division began.

When Mu'awiyah took power, he followed and naturalized a new system of government different from the political systems that had prevailed in the age of the Prophet and the rightly guided caliphs. It was the adoption of the Persian and Roman system of government. He made the caliphate limited to the Umayyad family. It was a monarchical system.

One must take into account a number of realities that made this conflict continue and find acceptance among the people. In particular, the unity between the Arab tribes was of recent origin. The Arabs were not yet accustomed to it. It was the first age of Islam, and they were not accustomed to being subjected to a higher central authority. The prevailing system in that period was a decentralized tribal system.

The entry into Islam of large numbers of non-Arabs who had possessed other religions and different cultures certainly also influenced Arab Islamic culture. These cultures melted in the crucible of Islamic culture; yet, despite their incorporation, they came to constitute clearly differing traditions and customs to a great extent.

Furthermore, the Koran's verses included absolutely no definition of a kind of government or any method by which governance should take place, except for the correct interpretation of the verse, "Their affair is consultation (*shura*) between them." [Koran 42:38].

The reason for this division was certainly the political conflict, because the caliphate was the first matter about which disagreement continued among Muslims.

Because the Koran was revealed to the Arabs and they spread it rapidly, the Islamic state came to include different nationalities and races. This expansion did not have a great effect on these nationalities, nor did it effect their absorption; instead, they remained different in all their elements. Although these nationalities had accepted Islam, they had in no way accepted the Arabs. From all the preceding, it becomes clear to us that the spread of Islam and the widening of the call to it led to the religious factor's providing the foundation of the Islamic state. The Islamic state came to be composed of a group of nationalities. Thus there was no longer any congruence between the religious factor and the national factor. Since it is generally admitted that religion and nationalism are the two motive forces of history and that this is a historical fact, this equation is impossible in Islamic history for the aforementioned reasons. Islam, that is to say, unites nationalities and peoples, while nationalism separates these peoples. The Arabs are concerned with Islam as a religion. The origin of the legal schools that developed was a political, not a legal struggle. A difference about the method of governance and selecting the ruler was the reason for their origin. Therefore, the Arabs, who are concerned about Muhammad's mission, should be aware of the real nature of these legal schools. Since Islam is written in a language we all understand, why do we need anyone to interpret it to us, when it was written in an Arabic language and revealed to an Arab messenger? The wisdom in this was so that no imposters could appear who would try to monopolize religion and acquire the right to interpret it as suited their point of view.

Advocating and working for an Islam without *madhhabs* [separate legal schools] will enable us to solve a large number of problems that the monopolizers of religion

are attempting to force upon us. They are trying to hoodwink us and impose their points of view because religion constitutes a spiritual force that one cannot presume against.

This will enable us to rebuild the map of our Arab world. It will move us away from adopting and naturalizing the governmental forms of medieval Europe. It will distance religion from worldly questions that are relative issues, whereas religion deals with issues in absolute terms.

As we have said earlier, the subject of religion is man and his relation to God, the hereafter, and the day of judgment. The subject of politics is the relation of man to man and his relation to the environment. The decisive factor in this question is the extent to which the masses are able to comprehend this truth and set matters aright.

Finally, I would pose a question that deserves all our attention and analysis. Why was Muhammad the son of 'Abdallah—may God bless him and grant him peace—the last of the prophets and messengers?

## TUNISIA

### Export Developments, Strategy Analyzed

90AA0248A Tunis LA PRESSE DE TUNISIE  
in French 11 Jun 90 p 7

[Article: "Chief Elements of Export Development Strategy"]

[Text] General and sectorial statistics confirm the fact that the results obtained since the implementation of the economic recovery plan are very encouraging and indicate that a large number of Tunisian firms are capable of readjusting to a more competitive environment. Even though nearly two-thirds of the products that are imported have been freed of restrictions, the coverage rate for exports over imports showed an increase in 1989 of about seven points in comparison with the rate in 1986. Furthermore, the liberalization of price controls and imports has led to an attitude among Tunisian businessmen that is more oriented toward foreign markets and an awareness of the need for making their products more competitive.

The liberalization of imports and prices was largely due to the growth of exports. The latter has forced firms to improve the quality of their products and control their production costs. The rapid growth (40 percent a year during the past three years) recorded for the IMME [expansion not given] sector confirms this observation. It will, of course, be difficult to maintain a rate like this as the absolute value of this sector's exports increases, but development of the sector should make it easier to confirm this progress and will contribute to the progress of the other sectors.

Despite this performance record, our production and marketing machinery is suffering from certain weaknesses, the chief of which include:

- The small size of the firms, which does not favor:
- The realization of economies of any magnitude (i.e., identification of needs, production capacity, shipping, marketing effort).
- The development of research programs.
- Heavy reliance on foreign buyers and a limited number of customers.
- The predominance of subcontracting on behalf of foreign buyers, particularly in the textile sector, and the lack of development of their own brand names for Tunisian producers.

Based on the principle of **competitiveness** of our products internationally is the best guarantee likely to ensure sustained economic development for Tunisia. The chief strategic elements must converge on the realization of this objective.

As concerns the business environment, the chief strategic elements consist of:

- Controlling inflation to avoid a new overvaluation of the dinar.
- Strengthening liberalization measures and those designed to open the economy with an eye to strengthening national competition.
- Stepping up the process of privatization of public export companies in those sectors considered to be nonstrategic.
- In order to consolidate its export production capacities, Tunisia would stand to gain from containing the public sector deficit. This deficit is likely to restrict the flow of actual funds for investment in production.

As concerns the institutions (public companies and government agencies):

Several adjustments in their strategic options, structures, and export methods must be made in the plans.

**Strategic options:**

- With the opening up of the economy to the outside world and Tunisia's joining GATT, the distinction between local and export markets should be reduced. A firm's strategy should therefore be focused on globalization of its market. In other words, the local market will only be one segment of a larger market. The company's approach should be resolutely oriented toward the international market.
- Export operations should no longer be handled one by one, unrelated to one another, but be part of a long-term strategy.

Taking a broad view of things is therefore one imperative. Taking a long-term view is another.

- To guarantee greater competitiveness, the company should, in the choice of markets to exploit, know how to put itself in a position to derive the greatest benefit from Tunisia's comparative advantages. By way of example:
- In the IMME sector, choose small production-run products that require the use of a skilled labor force,

but for which automation is not profitable.

- In the readymade clothes sector, with the development of a skilled labor force, choose products that fall within the mid range of quality or image in the plan.

**Structural arrangements:**

- In view of the small size of the firms, international trading companies can play an important role in capturing foreign markets.

However, these companies must be provided with adequate means for enabling them to assume the functions they are allowed to perform. Thus, they can constitute an interface capable of streamlining marketing efforts from the identification of markets to the finalization of transactions and fully contribute toward making Tunisian products more competitive.

The development of an expanded body of shareholders, access to the Stock Exchange, and mergers and the organization of companies into combines should be encouraged to favor the creation of larger production units that can better meet the needs of foreign clients and better deal with competitors on foreign markets.

- Government assistance agencies must better orient their efforts toward meeting the needs of firms. Certain services, like the development of reliable, up-to-date data bases on markets, sources of supply, or production capacities, can be of great help to firms.
- Reinforcement of the network of commercial attaches at our embassies abroad by providing them with human, technical, and financial means appropriated proportionately to the performance effected and the potential of the market where they are stationed would constitute a sensible allocation of institutional support provided by the government for exporters to the markets that have been targeted.
- The existing corporate structures, interoccupational associations, and specialized trade associations should be rehabilitated and their areas of jurisdiction reconsidered, strengthened, and expanded.
- The company's export department should be better organized to see to it that all personnel contribute to the "export" effort instead of its being centralized and the exclusive domain of the general manager and a transit agent. There is reason to impress on all company personnel the importance and requirements of the export markets.

**Management and the Operational Plan**

More rigorous management is necessary with regard to the kinds of operations that have up to now constituted weakpoints with several Tunisian exporters, namely the exploration of potential markets, supply, the methods employed to determine sales prices, and production and delivery in accordance with commitments made to the client.

As concerns supply, a more relevant approach must be adopted to meet the company's needs, particularly with

regard to imported products. To achieve this, there is reason to more frequently resort to the special systems that are already planned for the storage of raw materials and semifinished products in duty-free or bonded warehouses, which makes it possible to avoid the collection of duties on stored goods for consumption, with the whole slow process of recovering customs duties that this involves, and at the same time have stock readily available to fill large orders from foreign customers within a relatively short time.

Moreover, methods for calculating sales prices should favor those foreign markets over which the company has less control. To be competitive, export prices have to be determined, not on an individual, case-by-case basis, as nearly half the companies say they handle it, but on the basis of annually estimated quantities, integrating the overall potential for local and export sales and possibly by attributing some fixed expenses to variable expenses.

As concerns both manufacturers and international trading companies, Tunisian brand names should be developed, which should contribute to the promotion of Tunisia as a manufacturer of quality products. The tourist industry has succeeded in making Tunisia a tourist attraction, the textile and shoe industries can make Tunisia a fashion country, the IMME can contribute to developing the image of a country that produces quality and precision products, and it is up to the IAA [expansion not given] to go beyond Maltese and Tunisian dates. [sentence as published]

And last, rigorous respect for commitments to clients with regard to specifications, packaging, and adherence to delivery dates must be a major concern for companies, particularly those that penetrate new markets like those of North America. Not the slightest departure from the terms set by the client will be tolerated.

### **Poll Finds 76 Percent Support Iraq**

90AA0298A Tunis LE MAGHREB in French  
17 Aug 90 pp 5-8

[Article by Nadia Omrane: "76 Percent of Tunisians Support Iraq"]

[Text] Tunisians, initially at least, are supporting Iraq; and, to an even greater extent, they are angry about the American presence in the Gulf. But our newspaper refuses to accept casual impressions or base its conclusions merely on the typical survey procedure of interviewing a handful of citizens in a few cafes.

Here, for the first time in the Tunisian press, on the occasion of an event of worldwide importance, we provide the results of a survey performed by a specialized institute, Madame Aziza Mdimagh's Social Prospects Institute [CPS]. In publishing these results, LE MAGHREB is taking a quantum leap forward in journalistic coverage of public opinion.

In the French language section, we are publishing the highlights of the survey's initial results.

In the Arabic section, sociologist Mohsen Marzouk with the Mdimagh institute gives a more detailed sociological analysis.

However, we must be careful not to err by overstating our claims: this survey, in which a sample of 300 people in three coastal cities (greater Tunis, Sousse, and Sfax) was polled, can provide only a rough sketch of the general state of public opinion about the Gulf crisis, and popular sentiment as we know can be difficult to pin down, especially in times of crisis, when it can shift dramatically from one moment to the next. Methodological reservations notwithstanding, the overall results are instructive.

### **Note on Survey Technique**

The opinion poll "Tunisians and the Gulf Crisis" was performed by the Social Prospects Institute during the period 10-15 August 1990, using a representative sample of 302 individuals.

The sample was selected by the quota method, on the basis of sex, age, socio-professional category and region (governorates of Tunis, Ariana, Sfax and Sousse).

The statistics used for the assignment of quotas came from INS [National Institute of Statistics?].

The analytical technique (see Mr. Marzouk's article) is the one developed by Aziza Dargouth Mdimagh, director of CPS.

### **Support for Iraq**

Do Tunisians support Iraq or Kuwait? Some 76.82 percent of the respondents queried gave their support to Iraq, while only 8.9 percent said they favored the Kuwaiti Government, the government-in-exile. About 10.26 percent expressed no preference, being unable to choose between the two fraternal countries of Kuwait and Iraq.

Finally, 3.65 percent, a very tiny minority, said they had no opinion or refused to answer.

Out of the 76.82 percent supporting Iraq, 17.22 percent said their opinion was based on the way Kuwait wastes its Arab wealth. The spendthrift behavior of the oil monarchs—kinglet vassals of the imperialist countries—was in fact the subject of bitter criticism by Tunisians. Simplistically, and without much sophistication, since everyone knows that the wealthy Kuwaiti investors have been careful to place their money in multinational companies and in development projects in fraternal countries (including our own, obviously). These Kuwaiti assets, currently frozen and generating a great deal of trouble for the beneficiary companies, produce an even more reliable income stream than "black gold."



Some 3.64 percent endorse one of Iraq's revanchist legitimizing arguments, denouncing Kuwait's "theft" of Iraqi petroleum resources.

About 5.63 percent buy the historical argument: Kuwait, which is really Iraqi territory, was unjustly taken from Iraq as part of an artificial scheme designed to break up Arab territory. Along the same lines, in terms of an effort to rebuild Arabia geographically, 7.28 percent believe Iraq's annexation of Kuwait strengthens the Arab world. The overwhelming majority (73.17 percent) of those who support Iraq are young people aged 30-39 [as published].

Among the well-educated, 83.02 percent of those questioned support Iraq unconditionally, a fact probably connected with the ideological rhetoric of Arab unity promoted in academic and political circles.

By contrast, those who support Kuwait are generally less educated and older. This may reflect the fact that they were brought up in an era of struggle more nationalistic than global in nature, before the broader Ba'athist ideals took hold, perhaps also their disillusionment with Nasserism. One might assume that this age group, at the lower educational levels, is all the more affected by the image of palpable and exorbitant wealth (that of the emirs) because it is less receptive to the promise of a fabulous expansionist vision of Arab glory.

Nevertheless, of the 8.94 percent supporting Kuwait, 24.03 percent based their opinion on fear that Iraq's model of hegemonic aggression might set a precedent that could spread (affecting Tunisia or other small Arab countries exposed to the same risk of combustion; Lebanon is a stark example.) The rest think Iraq is acting—monetarily, at least—only in its own interests. One might have preferred to see them invoke the more serious argument: that it is a question of national sovereignty.

There was near unanimity on another issue: 92.44 percent consider the presence of American forces in the Gulf an act of aggression against the national sovereignty of states [in the region]. Nevertheless, 5 percent approve of it! These latter could not have been among those whose absolute rejection of imperial arrogance led them to attack the U.S. Embassy instead of participating in the orderly demonstrations.

Their protests are based on other attitudes: 14.9 percent believe the United States is practicing a new form of colonialism, while an equivalent percent is opposed to the violation of sovereign Arab territory. A curious argument, which is somewhat inconsistent: [Saudi] Arabia, occupied (at its own request) by 50,000 American soldiers, has had its sovereignty violated, but Kuwait, which was forcibly annexed by Iraq, has not: apparently it is the "Arabness" of the intervening force that makes the difference!

Close to 15 percent opposed American intervention in Saudi Arabia because that is where the [Muslim] holy places are located.

Some 49.34 percent said they would not make their pilgrimage to the holy places under current circumstances. Thus religious factors reinforce political opinions. The Americans are seen not only as imperialists but as heretics, alien to Islam. By the same token, the political situation is serving to whip up religious fervor, another example of the confusion of the two dimensions in the Arab-Muslim psyche.

However, a significant percentage (27.48 percent) would go on their obligatory pilgrimage next year, despite the foreign presence at the holy places. Finally, the question was not relevant to 13.58 percent, since they had no intention of making the pilgrimage. The remainder (some 8 percent) was divided among those with "no opinion" or miscellaneous views.

What could be more normal, politics aside, than for age to be a key variable with regard to views on whether or not to make the pilgrimage to Mecca? Over 60 percent, well over half of the individuals questioned, view the pilgrimage as an unconditional obligation.

With regard to the occupation of a sovereign country, opinions (on whether this was to be accepted or condemned) were divided along the lines of politico-religious affiliation. Thus the dream of Arab unity was a significant factor in the positions taken: 32.78 percent think the Iraqi invasion can serve but to accelerate the realization of Arab unity (40 percent of this group had been educated up to the senior high school level, while 38.6 percent had reached the junior high school level).

About 19.54 percent thought the invasion was a setback for Arab unity, while 11.26 percent believed it would destroy it. The most intelligent 16.23 percent said all hope of building unity must be abandoned for the indefinite future. One-fifth of those interviewed gave no opinion, saying they were uncertain.

## REPUBLIC OF YEMEN

### Minister Interviewed on Security, Press

90AE0241A Aden 14 UKTUBAR in Arabic  
13 Jul 90 p 4

[Interview With Colonel Ghalib Mutahhar al-Qamsh, Minister of Interior and Security, by Taha Ghalib; "Citizen and Security Are Subject of Discussion Between 14 UKTUBAR and Minister of Interior and Security; If Any Security Agency Does Not Rely on Citizens, There Can Be No Security; Why Are There No Controls for Carrying and Possessing Weapons; Bill on Issue Is Before Chamber of Deputies; Alcohol Must Be Prohibited Before Dagger Is;" First Three Paragraphs Are 14 UKTUBAR Introduction; Date, Place not Given]

[Text] Security, which is the opposite of fear, is an instinctive need that has accompanied man since he



came into existence. What man does not seek reassurance, certainty, and tranquillity? This is a fundamental instinctive motive in every citizen and it is something tied to man's essential needs, such as food, clothing, and shelter.

If security and stability exist, man can work, create, produce material abundance and, consequently, achieve comfort, progress, and prosperity. The opposite occurs if security is lacking.

Security, dissolving the security agency, the fate of the security cadres, the role that security will undertake in the united Yemen, the point reached by the decision to cancel the illegal promotions and whether this decision will include the returnees, discrimination in treating those returning to the security establishment, the place of the law in the Ministry of Interior and Security, the tribal structure and problem in the security agencies, whether there is a tendency to ban the carrying and acquisition of weapons, whether the homeland protection law will continue to exist under the umbrella of the Republic of Yemen, and the fate of escapees from the south to the north and of those charged in criminal cases—these and other issues have been the subject of the interview with brother Colonel Ghalib Mutahhar al-Qamsh, the minister of interior and security. Here is the interview:

[14 UKTUBAR] Can you explain to us the wisdom behind merging the interior and security ministries into a single ministry? Does not this mean doubling the tasks? Or are there other reasons behind this merger?

[Qamsh] It is obvious that you mean by the two ministries what existed in Aden prior to unity, considering that "state security" was under an independent ministry. In united Yemen, security has now been merged within the framework of the Ministry of Interior. The fact is that new circumstances have dictated this merger so that efforts may bear their desired fruits in serving the country. Perhaps the past division of the two ministries was a reason for the lack of closeness between them and for the independence of each ministry from the other, even in terms of their leaderships. I believe that it is wiser to have a single leadership to unite the efforts and to link them in serving the citizen and in protecting Yemen's safety at the same time. It is certain that the tasks will be doubled. But don't forget that the reality of this phase of unity demands this of us and of all agencies and ministries.

[14 UKTUBAR] We believe that the Ministry of Interior and Security is one of the biggest ministries in the government of the Republic of Yemen, considering that this ministry has incorporated two ministries. Under the umbrella of this merger, do you, as a ministry, have a certain policy that will be followed under the umbrella of the government of the Republic of Yemen?

[Qamsh] It may be the biggest ministry. But it is not because two ministries but rather because three ministries and a security agency have been merged. This merger has imposed on us tasks as immense as the

territory of the Republic of Yemen. This dictates, of course, that we prepare plans and map out the path so that we may be able to accomplish our objectives. Perhaps the most important thing we seek is—and I have repeatedly said this in more than one interview and meeting—to embody in our dealings with citizens the slogan "police in the people's service" as a tangible fact in real life. The merger gives us another objective which we also seek to establish in real life, namely safeguard the country's security and protect its independence and happiness. You can consider this a firm strategy in the policy of the Ministry of Interior and Security. We are entrusted with some temporary tasks which are embodied in speeding up the complete and final merger of all of the ministry's departments so that we may be able to keep pace with the primary and immediate task that is reflected in organizing and securing the popular referendum on the constitution.

[14 UKTUBAR] When will the merger of the police and security agencies be completed?

[Qamsh] In the next two months, at the most.

[14 UKTUBAR] How should we understand the dissolving of the two security agencies in this phase? Does this mean that there will be no agency, does it mean reducing the number of ministries performing similar tasks, or does it mean creating a new security agency that agrees and keeps pace with unity developments and with new political developments in the Yemeni arena? Or is there another motive behind the step?

[Qamsh] There is no other motive. The third assumption in your question is the correct one.

[14 UKTUBAR] The cadres of the two dissolved security agencies are worried. What will their fate be?

[Qamsh] I don't know where you got this assumption. The truth is that there is no worry. I have already pointed out that the employees of the two agencies are ultimately civil servants and the sons of the people. They belong to the Republic of Yemen, and they are concerned with their country's security and stability and with respect for the law enforced in their country. There is no cause for worry because the republic is sure to absorb them. Their rights and their dignity are preserved. Yemen cannot at all abandon the citizens who have defended it.

[14 UKTUBAR] Now that the two security agencies have been dissolved, what role will the security [apparatus] play under the umbrella of the Republic of Yemen?

[Qamsh] Of course, there are no states without security [apparatus]. The role that the security will undertake in the coming phase under the umbrella of the Republic of Yemen will be greatly different from the role that it performed under the umbrella of the partition. Efforts will be channeled in the direction of defending the country's security and national sovereignty, of pursuing the activity hostile to the young republic, pursuing

political and acts of economic sabotage, and safeguarding the Yemeni revolution's accomplishments and gains, led, of course, by unity, which we consider the biggest gain. This is in addition to providing the citizen with security and stability, ensuring the supremacy of law and order, and providing our citizens throughout the Yemeni arena with certainty and reassurance. This role will not, of course, be accomplished unless the citizens cooperate and contribute in a major and effective way. The security agencies will not be able to perform this role on their own and without the citizen's cooperation and assistance. Security is from and for the citizens and security's goal is the citizen's and the country's security. This is why we urge the security men to strengthen their relations with the citizens, to establish mutual trust and joint cooperation with them so that this may facilitate their task. Without the citizen's assistance, the security man cannot perform his role in the best manner possible.

[14 UKTUBAR] Many citizens have a complex vis-a-vis the security agencies by virtue of the past practices of these agencies. How, in your view, can this complex be eliminated?

[Qamsh] I wish to point out to you that any security agency that does not rely on the citizens basically cannot be a security agency and cannot establish security.

Security agencies have not been created against the citizen but for the citizen in the first place because security for the country is ultimately security for the citizen. The country's security is the citizen's responsibility. No security agency that turns against the citizen can be considered a security agency. The image the citizen has formed of the security agencies is the result of what this citizen hears about the security agencies through rumors spread against the security agencies. But if we examine the reality, we find that the security agency is a patriotic agency, that its personnel are members of this people, and that its objective is to [serve] the country's security, sovereignty, and independence.

This image can disappear gradually by strengthening the relationship between security men and the citizens and through the manner in which the security men conduct themselves with the citizens. This is the orientation that we will try to embody in the coming period between the citizen and the security officer.

[14 UKTUBAR] What place does the "law" hold in the Ministry of Interior and Security, keeping in mind that everybody stresses that police and security men should adhere to the law, should observe the supremacy of the law, should cling to the law, and should take the law into account in the performance of their duty?

[Qamsh] Do you think that any ministry, not to mention the Ministry of Interior and Security, which has the most dealings with citizens and foreigners and whose work goes on 24 hours a day, day and night, and on holidays and anniversaries non-stop, can succeed and achieve its goals if the law governing its work is not applied?

The major part of the Ministry of Interior and Security's work relies on the law. It is one of the authorities that attend to the application and protection of the law. Rather, this ministry is the most important ministry protecting the law and the supremacy of the law. Consequently, the work of this ministry under the canopy of the state of law and order will rely on the constitution and the law. The law will have an important place in the future in the ministry's work and the work of its personnel.

[14 UKTUBAR] Some say that unless the government of the Republic of Yemen, particularly the Ministry of Interior and Security, is strict and firm now with regard to establishing security, stability, and the supremacy of the law, then it may encounter difficulty in establishing them? What is your comment on this statement?

[Qamsh] This matter is not the responsibility of the Ministry of Interior and Security only. Rather, it is a joint responsibility shared by the Ministry of Interior and Security, the other ministries, the public prosecution, the judiciary, various departments and officials, the citizens, and whoever is concerned with security, stability, and the supremacy of the law. The responsibility is joint, as I have already told you. Moreover, the strictness and firmness about which you speak are not enough unless coupled with a comprehensive campaign of enlightenment to make respect for security and adherence to the law a voluntary act emanating from the citizen's awareness. However, we will try to accomplish this wish within the limits of our resources and capabilities.

[14 UKTUBAR] What about the tribal structure of the security agencies? How will this problem be resolved so that this agency may turn into a symbol of national unity?

[Qamsh] I don't believe that the security agencies' structure is tribal in the way you mean. Such projection is wrong and we do not acknowledge it. In appointing the security agency personnel, we make no distinction by saying that this man is from Sanaa or Aden or that man is from this or that tribe. We are all Yemenis. It is true that we belong to tribes but this does not mean that our loyalty belongs to the tribe. Our loyalty, our total loyalty belongs in its entirety to the country. We do not at all recognize this issue of tribal loyalties and we do not deal on its basis. To begin with, it does not exist. Employment at the security agency is the right of every Yemeni. This right is not confined to certain individuals or a certain tribe or tribes. All that is required for such employment is loyalty, competence, and capability. After God, the appointee's loyalty must be to the country and to the Yemeni revolution. This is the criterion we apply, and there is no other criterion.

[14 UKTUBAR] What does it mean when it is said that every citizen is responsible for the country's security and for defending it?

[Qamsh] This means that the security agencies that were said to have been aimed against the citizen have been dissolved and that the dossiers have also been burnt. Consequently, the citizen shoulders today a part of the responsibility that the security agency shouldered. He does this by being alert, vigilant, and wary of any act that may undermine security and stability and may harm the public interest and the country's and revolution's interest and by reporting any suspicious activities to the nearest police station so that it may pursue and verify the matter.

The citizen must not hesitate or be timid in reporting any odd manifestation or any act that may harm the country, the national economy, and the country's safety. Any silence on such an act will result in harm to the country's security and stability. Every citizen must shoulder his national responsibility. President Lieutenant General 'Ali 'Abdallah Salih has emphasized this point, and, when the security agency was being dissolved, he said that the citizen would protect the country's security.

[14 UKTUBAR] There are those who demand that former security agency workers convicted of a crime be denied employment in security. What is your opinion?

[Qamsh] It must be understood that we do not consider the past. We are today's children and we must bury the past with all its negative features, mistakes, and traces. We do not deny that there were faulty practices and there were mistakes. But we are all responsible for this. So why should we dump the mistakes on certain people's backs and hold them responsible?

As I have said, we must turn over a new leaf. If practices of the kind occur anew, they should be reported to us, but with evidence. We will not remain silent, and we will work to bring anybody who engages in faulty practices to account in accordance with the law. When such practices occur and when they are proven to us with tangible evidence, we will not tolerate them.

[14 UKTUBAR] What has been done to date in connection with canceling illegal promotions?

[Qamsh] A decree has been issued by the Presidential Council providing for reexamination of all promotions given illegally. A committee has been formed by the prime minister for the purpose, and it is now performing its task of verifying whether the promotions are legal or illegal. If they are legal, they will stand. This committee is engaged in an ongoing task because it requests reports and data on all those promoted, whether in Sanaa or in Aden.

The same applies to recruits. Efforts are under way to make sure that they meet the conditions required for working in military establishments.

[14 UKTUBAR] Will legal promotions include the returnees?

[Qamsh] It is certain that whoever is entitled to a promotion will be promoted in accordance with the law and without any discrimination.

[14 UKTUBAR] How about the returnees?

[Qamsh] All those transferred from military establishments as a result of past circumstances are entitled to return if they so wish. Even those employed in civilian facilities are entitled to return. The military establishments are nobody's and no tribe's monopoly. There is no restriction or reservation against anybody. All that is required is that the individual concerned be fit for military service. If he is not, he will be reinstated, given his right, and then retired.

[14 UKTUBAR] But there is discrimination in the treatment of returnees, particularly in the security establishment. Those transferred as a result of the 1978 incidents and the 1986 incidents are given their full dues whereas those transferred on other occasions are given the rank they held at the time of their transfer, plus a promotion of just one step. This creates some sort of discrimination between the returnees. What is your opinion on this matter?

[Qamsh] We are Yemenis. If the categorization you have mentioned in dealing with the returnees is true, then it is rejected. If mistakes have been made, then the Republic of Yemen is now certain to correct these mistakes and negative features, regardless of the decision, if there is one. All the returnees must get their full dues by the same degree and equally in accordance with what the law guarantees and with what is decided by the committee formed for the purpose. This must be done regardless of the fact that this man followed that one or that man followed this one. They must all be treated the same and must get their rights the same as their colleagues who were with them. I, for example, was transferred when I and a colleague held the rank of lieutenant. I have now been reinstated at a time when my colleague holds the rank of lieutenant colonel. I must get the same rank.

To my knowledge, the categorization you have spoken of does not exist. If such faulty practices exist, they must be corrected.

[14 UKTUBAR] Do you have a tendency to prevent the carrying and possession of weapons, at least in the capitals, initially, and provided that the republic's governorates follow, considering the consequences that emanate from such a step?

[Qamsh] A bill to regulate the carrying and possession of arms is now before the Chamber of Deputies. This bill establishes some controls and requirements as to who is entitled to carry and possess arms, when a citizen is entitled to possess arms, how are arms to be carried, what weapons the citizen may or may not acquire, the method of acquiring an arms license, the method of acquiring a weapon, the authority that grants the arms license, and other controls.

[14 UKTUBAR] Will the law cover bladed weapons—daggers?

[Qamsh] The dagger is considered a part of our customs and traditions. Yemenis are proud of the dagger because it is a part of their history and heritage. It is difficult to ask the citizen to give up a part of the legacy he has inherited from father and grandfather. But with time, the citizen may automatically abandon the dagger. It is a matter of time.

[14UKTUBAR] But when some people drink alcohol, they use the dagger that they are carrying when they get into an argument with others for the most trivial reasons. This situation may culminate in murder. But if the dagger is not available, the disagreement may not develop into this crime.

[Qamsh] First, before we ban the dagger we must ban alcohol. Were it not for alcohol, the dagger would not be used. It is well known that alcohol causes one to lose self-control and renders one unconscious because one is drunk. Moreover, we are Muslims, and Islam prohibits alcohol and the sale of alcohol. Therefore, we must adhere to Islam in this matter.

[14 UKTUBAR] There used to be a law called the law to safeguard the country. This law was attached to the penal code when it was promulgated. When the law was issued, its objective was to protect the citizen from involvement with foreigners. But it was then applied oppressively, considering that whoever talked to an Arab or a foreigner was, regardless of the nature of the conversation, arrested and interrogated. Will this condition persist under the umbrella of the Republic of Yemen?

[Qamsh] The Republic of Yemen has good relations with most countries. Hundreds of foreigners from various countries come to Yemen for work, for tourism, or for other purposes. The presence of these foreigners in our country will by necessity require all forms of mutual contacts between foreigners and Yemenis. Should we charge a Yemeni with involvement with a foreigner, arrest him, and prevent him from communication just because this Yemeni has talked to a foreigner? I believe that the issue lies in knowing the content and essence of the conversation and knowing who the foreigner is and what is the nature of his business in Yemen and the nature of the relationship he has with the Yemeni. This is the responsibility of the security apparatus which, before arresting any citizen just for talking to a foreigner, is supposed to make sure of things through followup and the gathering of information about the foreigner and the Yemeni to find out whether the conversation damages the public interest and the country's security or whether it is just an ordinary conversation.

We reject any offhanded arrest of citizens without the presence of incriminating proof and evidence because an arrest undermines a citizen's dignity and freedom. But on the other hand, the citizen shoulders a responsibility. When the citizen finds that the foreigner tries to ask him about or for information concerning the country's and

homeland's security or when he notices that the foreigner's conversation, movements, and behavior are suspicious or abnormal, this citizen is supposed to immediately report all his observations so as to not get embroiled with this foreigner and be exposed to penalties.

What is important is that the citizen be cautious and capable of making a distinction between what is normal and what is abnormal. The security agencies should not arrest anybody unless evidence is available and only in accordance with the law.

[14 UKTUBAR] What about the individuals who now live in the north and who fled from the south in the past after stealing public property or committing criminal acts? These people now live in the northern provinces. How will they be dealt with?

[Qamsh] Had you observed the activities of the ministries of interior in Sanaa and Aden prior to "unity," you would have realized that this is one of the issues with which both ministries were concerned. Some individuals were actually indicted for embezzlement and murder. After the indictments were made, it became evident that the perpetrators had fled to the other part of the country. So extradition of the perpetrators was sought through the Public Administration for International and Criminal Communication. Some criminals who had fled to Aden were actually handed over to the official authorities in Sanaa and vice versa.

But I believe that the matter will be easier now because no contacts between two ministries, two states, or two administrations are required. All provinces belong to the one Yemen and are under the jurisdiction of one ministry. This is much better, keeping in mind that such criminals are tried and that each of them is entitled to defend himself with any of the means guaranteed him by the law.

[14 UKTUBAR] The press addresses to you from time to time some complaints and observations regarding the actions of some security men. What do you do about them?

[Qamsh] We are happy with the observations and criticism some newspapers publish regarding the practices of some security men. But we would be happier if these papers sought objectivity and accuracy, relied on facts and evidence in gathering information, and did not rely on rumors, on what they are told, or what they hear. These papers must ascertain the truth of what they publish, even if they have to point out names, places, times, and details so that we may be able to conduct our investigations and may punish such people. As for what is published in the form of generalities, we believe that its sole purpose is incitement. It does not help us get to the truth and know the perpetrator. We do not, of course, deny that there are some faulty practices. But we want them to be presented correctly and as they truly are so that we may have the opportunity to deal with the issue. We ask the press: Why the fear and why refrain from

revealing the truth, considering that there is a press law that regulates the process of press publication?

[14 UKTUBAR] What is your opinion on what the press has published about the conditions in the central jail in Sanaa?

[Qamsh] What has been published recently about jail conditions is an extension of what was published previously. There are reports by the Human Rights Committee, by the Yemeni Women's Committee, and by some ministries that have made visits to the jail praising the conditions in this jail. Moreover, we consider the jail an educational institution and a place to reform the prisoner. If there are some deficiencies, then we do have at present a plan to transform the Public Prisons Administration into an agency so as to enable it to attend to the conditions of the jails and their residents. One can take advantage of the Sajar al-Mansurah experience in the issue of prisoner education and reform by teaching this prisoner a profession or a craft that helps him get employment upon leaving jail. We, whether in Sanaa or Aden, will adopt whatever is positive and is likely to reform the prisoner and return him to society as a good citizen. This is our objective. Any deficiencies or negative features can be corrected.

[14 UKTUBAR] As a conclusion to this interview, what do you wish to tell the citizen?

[Qamsh] The truth is that the citizen wants security, order, and supremacy of the law. In our opinion, these are legitimate demands to which the citizen is entitled. But we wonder: Can the Ministry of Interior or even the state generally accomplish this? It is our belief that they can't without the citizen's help, regardless of how much power and resources they possess. The citizen can implement the law by adhering to it, respecting it, and not violating it. He can spread order and make it prevail by adhering to this order and by refraining from exceeding or circumventing this order. The citizen can also establish security by refraining from committing crimes, engaging in anarchic activities, or undermining security. He can also obey the instructions of the security and traffic police and observe the rules and regulations issued by the government. The citizen can also cooperate with us in fighting smuggling and the theft of public and private property by informing the security agencies and the authorities concerned. The citizen can also expose graft-money takers and those who pay graft money and corrupt people, and so forth. The good citizen can do a lot to help the security apparatus spread the supremacy of law and order by virtue of the fact that the citizen is present everywhere and the fact that it is easy for him to expose and report such activities. On our part, we will provide the citizen with all the facilities and with full protection. Any citizen who performs such a service will grow bigger in our eyes and will be truly considered a model of the good citizen who realizes and performs his responsibilities. Such a citizen will also enjoy our respect, appreciation, and trust. As I have said, neither

the state nor the Ministry of Interior can alone accomplish all this unless the citizens cooperate. Personally, my office is open three days a week—Saturdays, Mondays, and Wednesdays—for direct meetings with citizens. I will be fully prepared to listen to the complaints, appeals, and reports of citizens, the military, or others. There are at present public opinion boxes in Sanaa and Ta'izz. We are going to install similar boxes in all parts of the republic. Any citizen can drop his complaint, appeal, proposal, or other issues in these boxes if he does not wish to go to the police and security station. But these issues must be real and truthful, not fabrications or lies, because if the information is not true, the individual concerned will be accountable for it.

### Official Discusses Agricultural Development Policy

90AE0241B Aden 14 UKTUBAR in Arabic  
13 Jul 90 p 8

[Article by 'Adil Qa'id: "Director of Ministry of Agriculture and Water Resources Branch in Lahij Governorate to 14 OCTOBER: Long-Term Credits and Loans Need To Be Provided to Cooperatives, State Farms; We Have Received Nearly 1,500 Applications for Compensation and 8,000 Applications for Acquisition of New Lands"]

[Text] Lahij Governorate is distinguished by the fertile agricultural soil that used to produce the major part of the fruits, vegetables, greens, gourds, and other agricultural crops consumed by the southern governorates. Lahij could have achieved self-sufficiency [for the southern governorates] in most of these products, if not in all of them. What are the causes that have obstructed the accomplishment of this goal and what are the proposals to deal with them? How can the problem of agricultural holdings in the governorate be solved and how can cooperatives and state farms be rescued?

We have sought answers to all these questions in the following interview with brother 'Abd-al-Malik Naji, the director of the Ministry of Agriculture and Water Resources branch in Lahij Governorate. He has explained the total tasks facing the branch, saying:

### Implementation of 1989-90 Planting Season Plan

The 1989-90 planting season plan has been implemented satisfactorily despite the difficulties that have faced the agricultural production cooperatives, considering that farmers marketed their production outside the cooperatives' framework. Regarding the 1990-91 agricultural season production plan, brother 'Abd-al-Malik Naji said that the indicators for this plan are the same as those of the 1989-90 and that the total acreage scheduled to be planted is 46,176 feddans, which are planned to produce 118,480 tons as a target. The implementation of this plan will begin this July. Naji added: The plan will give agricultural producers full flexibility in preparing the plan's proposals in a manner compatible with the reform movements in the agricultural sector. Moreover, the

cooperatives and state farms will work to draft their proposals on the plan in a manner that takes into account the particularities of each farm and cooperative, the resources available to them, and their ability to market products through various channels. The brother director of the governorate's agriculture has said that the indicators of last season's plan are binding as a minimum insofar as our governorate's production of both varieties of cotton and processing tomatoes is concerned. When the potato crop is planted, allowances will be made to secure the needed seedlings. The past season's indicators will also be the basis.

Naji added: This issue was examined and discussed on the basis of an assignment made by the brother minister of agriculture and water resources at a meeting held at the ministry premises in Aden to discuss this this season's plan.

Therefore, the ministerial branch in governorate will review the proposals presented by state farms and cooperatives so that there may not be a big drop in comparison with the previous season's indicators and so that the shortfall in some crops may be made up for by other crops favored by the producers. The branch will also make sure that these crops, especially vegetables and fruits sold by the Public Fruit and Vegetable Marketing Organization, can be marketed through the government channels.

On crop marketing, brother 'Abd-al-Malik said: State farms and cooperatives, along with the other authorities concerned, are responsible for marketing their products and for organizing the selling process with major marketing authorities through agreements concluded for the purpose. Therefore, it has been agreed that the vegetables organization will accept the farms' and cooperatives' vegetable and fruit crops within the limits set by last season's plan for most crops, excluding fruits, of which the organization will accept any additional quantities. As for greens, they will be subject to the wish of the organization which will determine the ceilings that can be accepted from each governorate in accordance with a preliminary agreement between us and the organization.

#### **Subsidized Crops and Fiscal Deficit**

Regarding subsidized crops, the brother director of the agriculture branch said: In light of unity developments, efforts will be made to reexamine a number of agreements inclined in this direction. Such subsidized crops as potatoes and onions will be purchased at their fixed price until the end of 1990. The price for next year will be determined in light of the state policy on prices and subsidies.

Regarding the difficulties existing in the governorate's agricultural sector, brother 'Abd-al-Malik Naji noted that difficulties currently exist in agricultural cooperatives, state farms, and equipment-leasing stations. These difficulties include a financial deficit in most, if not all, agricultural cooperatives, state farms, and equipment-leasing stations. As a result of this deficit, cooperatives,

farms, and stations have been unable to pay the wages of their workers in the wake of wage increases and cooperatives and farms are unable to purchase any agricultural equipment, tools, or instruments to help them revive their financial conditions. Cooperatives have been unable to repay the debts they owe others. These debts have accumulated from past years. Moreover, job inflation has developed as a result of the absence of planning. This is in addition to the drop in the prices of a number of crops, such as all varieties of corn and millet, sesame seed, cotton, and tomatoes.

The prices of these crops do not cover production costs. This has resulted in weak revenues for cooperatives and farms and, consequently, in the development of a deficit. This deficit is also due to the old age of the wells and equipment belonging to state farms and to the private sector's competition with agricultural and service cooperatives and with the equipment-leasing stations. The private sector offers faster and better services by virtue of the fact that it is not tied to any financial or control laws or regulations, unlike cooperatives. This has led to a recession in the service side of cooperatives and stations.

#### **Problem of Agricultural Holdings**

Regarding holdings, the brother director of the ministerial branch explained the matter to the paper, saying:

Since the party's Political Bureau issued its resolution on agricultural holdings, citizens have submitted 8,000 applications for cultivable land. As for those who were affected by the peasant uprising and who have been demanding compensation, they have submitted nearly 1,500 applications. A committee was formed by the minister of agriculture before proclamation of the united Yemen. But we then received a cable from the former minister of agriculture not to distribute any cultivable land until the holdings law is issued. However, a joint meeting was held between the agricultural leaderships in the Lahij and Abyan governorates who ended up submitting a memorandum to the minister of agriculture and water resources explaining the agricultural problems faced by cooperatives, state farms, and leasing stations. We are waiting for a meeting to be held with the ministerial leaderships in order to develop the solutions the ministry deems fit.

#### **Proposals**

Concluding the interview, brother 'Abd-al-Malik spoke about the proposals made to solve the difficulties facing the governorate's agricultural sector. He emphasized the need to provide long-term credit and loans to cooperatives, farms, and stations so that they may pay the cost of production and the wages of their workers and purchase new machinery to revive their financial conditions. [He also proposed that one do the following]:

- Include cooperatives, farms, and stations in the development plan.

- Permit cooperatives and farms to market their production in the manner that suits them.
- Give government subsidies to grains as an incentive to promote grain cultivation.
- Establish a base year for the agricultural cooperatives' accounts.
- Let the cooperatives' development plan contribute to covering their social security.
- Speed up issuance of the memorandum explaining the holdings law and hold debates on this law through official and popular meetings with the farmers.
- Speed up approval of the new cooperation bill.
- Give the machinery-leasing stations priority in using their equipment in agricultural projects implemented by the state.
- Merge some cooperatives with each other, using economic feasibility as a criterion.

### Editorial Discusses Flow of Information

90AE0241C Aden 14 UKTUBAR in Arabic  
13 Jul 90 p 8

[Editorial by 'Abdallah 'Abd-al-Majid: "Media Need and Public Opinion"]

[Text] The meeting between brother Prime Minister Haydar Abu-Bakr al-'Attas and representatives of the various media in Aden, the economic capital, yesterday was a beneficial.

Perhaps it goes without saying that journalists, in their capacity as the daily link in shaping public opinion and familiarizing it with the requirements of society and development, are thirstier than others for accurate and correct information that helps them shoulder their responsibility toward their consciences and their people. There can be no media without information. How about when the information concerns such an issue as the people's life or, to put it briefly, the economy, which is considered the cornerstone in attracting and polarizing public opinion before it is shaped and directed, considering that empty bellies have no place for the hollowness and unrealism of elegantly styled words.

This is why the prime minister's meeting with media people in this blessed era of unity is a gesture that reveals the dimensions of the big responsibility—a responsibility as big as the country—facing the political leadership, the government, and the media. This makes it inevitable that constant meetings be organized between the leaderships and the media representatives, far from the seasonality that is ordinarily imposed by decisions made from above and by schemes hatched by the bureaucracy and far from those sudden and offhanded meetings intended to control and pacify interactions on the political scene. In such meetings, journalists were inevitably required to abolish people's minds and to make them believe what the press, radio, and television told them and to belie what they saw with their eyes and felt with their bodies and what touched their pockets.

The brother prime minister stressed that journalists need to get information. But the "foreigner's complex" continues to be nested in the minds of many of our officials. Consequently, the citizen often finds in the foreign papers and magazines not only that which satisfies his thirst for knowing what goes on in his country but also that which creates in him a guilt complex or, let us say, a separation between the word [he reads] and the reality he lives.

The imported word arrives before all the consumer products and goods that completely destroy the national economy and the local environment in which the citizen lives.

Perhaps faulty political decisions—decisions to which the brother prime minister rightly attributed the causes of the failure of numerous economic projects—are behind the accumulated problems. This is because policy, as everybody knows it, is tantamount to a concerted economy and not the opposite, which nobody understands. The monies spent by the government on numerous failed projects are the result of the absence of economic studies and the presence of political decisions. When the talk turns to the profits of these projects, which have inexplicably turned into plants, factories, and establishments, the press in all its forms is, wittingly or not, the first to confuse the citizen's vision. This is due to the political hypocrisy of the official in charge of the facility and to the economic ignorance of the journalist who lacks information. But the sensors that the citizen has developed as a result of his daily experience with life certainly enable him to tell the black thread from the white thread and the establishment's profit from the journalist's ink. What concerns us here is to take a totally responsible stance toward the tasks that have been established by the new government and that are summed up in building a productive economy and reducing the sphere of the consumption economy that has overwhelmed our life and has penetrated society's pores without permission. The brother prime minister underlined this task in its capacity as the main link in development. In this regard, the media people will not be a mere negative conveyer of information as long as any political decision is preceded by a vigilant study of the social and economic reality—a study conducted remotely from the shocks to which the citizen is subjected under justifications that cannot stand in the face of reality.

Regardless of how much we dwell on our backward economic reality, we must, before we do anything else, familiarize the citizens with the facts that are not in final harmony with the glittering promises. What is more important, the citizen must be convinced that there is sincere determination, beginning with the leadership and ending with the broad base, to lift our economy from its poor condition.

Citizens will not fail to defend their interests when they understand these interests vigilantly and when they are

convinced that curtailed consumption and extravagance have begun to touch those who advocate them—and the evidence is abundant.

Upon my life, I will add nothing to familiarize one with the capabilities of our people from one end of Yemen to

the other to build, to shoulder the burdens of development, and to paint the bright face of Yemen now that Yemen has realized its dream of greater unity for which it has paid with its blood. How can the people not safeguard and protect this unity with sweat, keeping in mind that they are the people who built 4000 years ago a civilization which has contributed effectively to mankind's civilization!



## AFGHANISTAN

**Najibullah Waives Penalties on Passenger Transport Vehicles***90AS0339B Kabul KABUL TIMES in English  
22 May 90 p 1*

[Text] The Presidential Office reported that Najibullah, President of the Republic of Afghanistan, has issued the following decree on waiving the penalty of some owners of passenger transport vehicles of the private sector:

Based on the resolution, 78 of 24 April 1990, of the Council of Ministers of the Republic of Afghanistan and the annexed table, the following is approved to help owners of passenger vehicles of the private sector who, due to certain reasons have not fulfilled their obligations regarding the transportation of the employees of state organs and have been fined Afs. 2241058 as per article 30 of the law on securing the state assets.

1. Writing off all the penalties of those of private passenger vehicles who have not fulfilled their undertakings due to the shortage of fuel, from January 5 to March 20, 1989.

2. Fifty percent waivers of the penalties of those owners of passenger transport vehicles who have been fined for nonfulfilment of their undertakings from March 21 to June 21 1989.

3. Unions and transport means of private sector who have concluded contracts with ministries and state departments as of June 22, 1989, have to fulfill their obligations under the contract and the penalty for the nonfulfilment of the undertakings is recoverable.

Najibullah, President of the Republic of Afghanistan.

**Statistics Given on Production, Exports of Afghan Carpets***90AS0339C Kabul KABUL TIMES in English  
19 Apr 90 p 4*

[Article by Farid Bessed: "Afghan Carpets Enjoy World-Wide Fame"]

[Text] Totally 833917 square metres of carpets and long napped rugs costing 370891 dollar were exported last year through the Carpet Exporters Guild to over 21 countries of the world.

Besides Agriculture and cattle-breeding, the handicraft sector plays a significant role in the national economy of our country. Afghan carpets and long napped rugs are not only popular due to their high quality inside the country, but they also enjoy a good fame in the international markets. Right now, Afghan furnishings are one of the main export items of the country and about one million square metre of carpets are being exported annually to foreign markets.

About 400,000 persons are engaged in producing carpets in the provinces of the country. The Carpet Exporters Guild and the related state institutions have paid keen attention to improving the quality of carpets and increasing its export to the international markets. For example, carpet is now exported from Kabul, Balkh and Herat provinces. Land plots were being allotted to carpet producers and exporters to set up carpet weaving and washing projects in the industrial estate of Balkh province. With the completion of the said projects job opportunity will be provided for over 2000 workers and positive steps will be taken in producing carpets and other furnishings in the country.

The Carpet Exporters Guild conducted the following activities last year. As a social organisation and service institution, the guild participated in the carpet exhibitions held in Kuwait, Yugoslavia, Nigeria, FRG, Britain and other countries. It had also put publicity leaflets on the quality of Afghan carpets at the disposal of the importer companies. In addition publicity leaflets reflecting information on different Afghan carpets and furnishings were sent by the guild to different countries as a result of which new companies from Canada, Britain and Japan have sent their offers to the Afghan carpet exporters guild.

Similarly Afghan carpets and other furnishings were exported last year through this guild to over 20 countries of the world. Afghan carpets are mainly exported to the FRG, Swiss, Britain, United States, Australia, France and the Soviet Union. The guild will open in future sale centers in Kuwait, Japan and Canada.

The guild also assisted the carpet producers in supply of thread and paint and preparation of new designs and graphs. It also guides the carpet producers to take in view the demands of the international markets. The guild is making efforts to develop this industry in the villages, as well.

**Darul-Ulama Arabi Seminary Trains About 1,000 Students***90AS0339A Kabul KABUL TIMES in English  
3 Jun 90 p 4*

[Article by Rona Tahiri: "DUA Trains Young Religious Cadres"]

[Text] The Darul-Ulumi Arabi (DUA) religious madrasa of Kabul enrolls 818 students, taught by 33 experienced instructors. The madrasa which is one of the most prestigious religious institutions in the country, has undergone comprehensive improvement in recent years, thanks to the constructive transformational policies of the state of the Republic of Afghanistan. This was revealed by Qari Khalilullah Wiqar, the principal of the madrasa to the reporter of the KT [KABAL TIMES].

He said that the madrasa has 20 class-rooms. In these classes students from the 9th grade of other schools are

enrolled who, on the basis of new education system, continue their study up to the eleventh grade.

It is worth noting that the graduates of the new system are introduced as religious instructors to the primary schools. The rest of the students carry on their study up to the twelfth class in religious affairs and memorisation of Holy Quran. After graduation they are given the right to continue higher religious studies at the Islamic University.

Praising the persistent attention of the state of the RA in sound training of religious cadres, Qari Wiqar said that the graduates of the Darul-Ulum madrasa, besides benefitting from the facilities during the studies at the madrasa, irrespective of their age, are accepted at the Islamic University. They are also exempted from the military service till graduation from the university. This is a privilege just for the students of the religious madrasa under the prevailing conditions in the country in comparison to other students.

Based on the cultural protocols concluded earlier, a number of talented and meritorious students of the madrasa are benefitting from the scholarships for higher studies in Libya, Kuwait, Syria and other Arab countries.

Likewise, those instructors who due to certain reasons, were unable to upgrade their educational attainment up to BA levels and above are afforded the opportunity to do so through attending the night faculties established for this very purpose. It is worth mentioning that beside other facilities, the students of Darul-Ulum Arabi, are monthly receiving cash allowance and other assistance like footwears by the state to enable them meet their requirements, Qari Wiqar reiterated.

Elaborating on the historical background of the madrasa, he said, the madrasa was established in 1919 A.D. as religious institution during the time of Amir Amanullah Khan Ghazi in the name of Darul-Quzat Amani. Sardar Mohammad Osman Khan the then mayor of Kabul city was its principal. Beside carrying out his duties the mayor, was looking after the affairs of this madrasa. It stopped functioning during the Bacha Saqaw revolt. In 1930 thanks to the insistence of religious circles, the madrasa was reactivated and obtained its present name. From the beginning of 1990 the organisational set up of the madrasa has undergone remarkable changes that enabled it to improve different aspects of its activities, Qari Wiqar maintained.

## INDIA

### Papers Report on Interviews With Devi Lal

#### PATRIOT Exclusive

46001724A New Delhi PATRIOT in English  
6 Jul 90 p 5

[Article by J. P. Gadkari]

[Text] Bangalore, 5 Jul—The sudden arrival in the middle of June and the three-week sojourn of Deputy Prime Minister Devi Lal at the Institute of Naturopathy and Yogic Sciences on the outskirts of the city here for medical treatment had fuelled a number of political speculations.

His departure has left now a lot of equality puzzling questions mainly about the objective of his stay here, as nobody was convinced that it was for medical treatment.

Mr Devi Lal had a packed programme each day and he left the Institute at will without caring for the rules and regulations or the timings of his treatment and returned whenever he liked, sometimes even past midnight. The Institute had become almost a pilgrim centre and at any given time people were seen waiting their turn to meet him. None of them were turned away by him.

Among the visitors were people not only from the State Janata Dal but some prominent leaders of the ruling Congress party in the state including Chief Minister Veerendra Patil, some of his Cabinet colleagues and people like former Chief Minister R. Gundu Rao.

His repeated meetings with Janata Party leader H.D. Deve Gowda gave room for speculation that he was trying for the merger of Deve Gowda's Janata Party into the Janata Dal.

Above all most of the observers of the political scene felt what the main purpose of Devi Lal's stay here was to settle scores with Planning Commission Deputy Chairman Ramakrishna Hegde whom he held mainly responsible for his son Chautala's ouster from Haryana Chief Ministership.

But everyone is now puzzled after both of them met here twice, undertook a joint visit to Dryland Development Project where Mr Devi Lal publicly described Hegde as the 'Mahan Neta' and also made a statement that Mr Hegde should not have resigned from the Planning Commission following the submission of the Kuldip Singh Commission report.

This however did not prevent Devi Lal from severely criticising Hegde's approach to the Eighth Plan, the composition of the Planning Commission and its pro-urbanite bias. Apart from criticising Mr Hegde, the most notable part of Devi Lal's exclusive interview to PATRIOT was his strident criticism of the BJP-VHP [Bharatiya Janata Party-Vishwa Hindu Parishad] communal combine and the latest threat posed by them on the Ram Janama Bhoomi-Babri Masjid issue which he described as even more dangerous than the deteriorating situation in Punjab and Kashmir and the external threat posed by Pakistan.

The Deputy Prime Minister was also clear about his stand on the industrial policy statement adopted recently by the National Front Government and his views on the open door policy towards multinationals.

Excerpts from the interview:

[PATRIOT] What is your view about the threat of some top BJP leaders giving a threat to withdraw support to the National Front Government?

[Devi Lal] Maybe they will withdraw their support. But where will they go? Their intention of toppling the National Front Government is a mere wishful thinking. Where were they earlier? It was I who gave them a few seats in Haryana and they were the one who betrayed the Janata Dal. They always think of their own selfish interests and often break the solemn promises.

A recent example of this was the Parliamentary elections when the BJP contested many seats in violation of the understanding with other opposition parties. The understanding was that no opposition candidate should contest against the former MP who had resigned his Lok Sabha seat on the Bofors gun deal issue. It was the violation of this understanding by the BJP which led to the defeat of opposition party candidates at least in 28 constituencies. Even then they talk of betrayal of the United States.

We will see them when they withdraw support. If there are elections today, without our support the BJP will not win a single.

[PATRIOT] Do you agree with the criticism of Chandra Shekhar of the new industrial policy adopted by the National Front Government?

[Devi Lal] I am not a graduate of the London School of Economics or from the Oxford University. I have also not studied at the Doon school. I am only a matric and a simple agriculturist. I feel that the nation's economy should not be left at the mercy of the Multi-National Companies. We must invite and borrow the latest technology wherever it is available. Otherwise we will be left far behind. But in my view we should invite the Non-Resident Indians and encourage them to come back to India with their experience and money and ask them to invest it in our industries. This could give a new impetus to the industrial activities in the country.

Moreover, I would like the nation to follow China's example of establishing different economic zones and to establish industries in the countryside. This will not only remove the congestion in big towns but shall also provide employment to the rural youth at their doorstep. The time has come when the migration of the people from villages to the cities is not only stopped but even reversed.

The agro-based rural industry with more emphasis on the labour employment seems to be the only way and solution to poverty, unemployment and scarcity.

[PATRIOT] You have been criticising the composition of the Planning Commission and demanding a change in its structure. What exactly [do] you mean by this?

[Devi Lal] In my opinion the composition of the Planning Commission is faulty. Out of the nine members of the planning commission, eight belong to urban elites

and only one member is from the rural area. All these urbanite members were selected by Deputy Chairman of the Planning Commission Ramakrishna Hegde. How much these members know about the problems of the rural people?

Prime Minister V.P. Singh who heads the Planning Commission had no hand in the selection and Mr Hegde had not consulted me. I came to know about the selection at the last moment. I have told the Prime Minister about my views and he agrees with it.

I expect a change in the composition of the Planning body before the next meeting of the National Development council which is to take place in Bangalore in the first week of August.

[PATRIOT] Do you agree with the approach paper for the eighth Plan prepared by the Planning Commission?

[Devi Lal] I am not happy about the approach paper to the eighth Plan on its very approach is wrong. It is an urbanite approach whereas the need of the hour is a well-planned strategy for the welfare of the rural people and the weaker sections of society.

I am in favour of an approach paper which looks after the welfare of the farmers, I will press for such an approach.

[PATRIOT] What do you think about the deteriorating situation in Punjab and Kashmir and the external threat from Pakistan?

[Devi Lal] So far as the situation in Punjab and Kashmir is concerned these problems are the creation of the previous Congress regime. We are trying to resolve it. Elections in Punjab will certainly be held and we will try to sort out the problem in a better way whichever party may win. In Kashmir we are making all efforts to bring normalcy and create an atmosphere of peace and harmony.

As far as the external threat from Pakistan is concerned is no threat. More dangerous is the situation that is being created by the communal forces in the country.

[PATRIOT] In this regard what do you think about the situation being created by the BJP-VHP communal forces over the question of Ramajanambhoomi-Babri Masjid issue?

[Devi Lal] Such forces like the BJP and VHP which are raising a hue and cry about the Ramajanambhoomi-Babri Masjid dispute are trying to disturb the peaceful atmosphere in the country.

The dispute had existed single long but nobody cared to solve it during the 200 years of British rule and 40 years of Congress regime. It was only during the last six months of the previous Congress Government that the problem was whipped up by some parties and individuals who wanted to play on the religious feelings of the two major communities in order to win over the votes

for themselves. They played the dirty game of disturbing the peace and harmony for their political ends. These parties are now again back at its old game.

These communal forces which mostly represent the urban Hindu elite cannot stomach the slipping of the political power from their hands to the common rural masses. They have therefore decided to play on the religious sentiments of the people and have raised the question of 'Ramjanmabhoomi' to get back the political power which they have lost.

The BJP represents the urbanite Hindu elite with the entire leadership in the hands of urban people belonging to the trading classes. Men like L.K. Advani, K.L. Sharma, Sunder Singh Bhandari, Kedar Nath Sahani and Singal who represent the BJP-VHP leadership cannot be expected to think or even dream for the settlement of the dispute.

[PATRIOT] Do you think that all like-minded secular forces should come together to fight this communal danger before the country?

[Devi Lal] I have always appealed to all like-minded people all over the country from all parties to come together and fight against these communal forces. In this connection UP [Uttar Pradesh] Chief Minister Mulayam Singh Yadav did a great service to the nation by standing like a rock to withstand the onslaught of the command forces. He deserves all praise for the stand he has taken. I hope the Chief Ministers of Bihar and Gujarat will also follow in his footsteps and are able to fight the communal forces in their respective states with equal determination.

[PATRIOT] Will you take interest in resolving the crisis in the Karnataka unit of your party over election of new president and other office-bearers? Will you help to patch-up the differences between "Hegde and Bommai"?

[Devi Lal] I have been meeting all leaders of my party in the State during the last few days and I am sure the differences will be resolved.

#### **TIMES OF INDIA Exclusive**

46001724B Bombay *THE TIMES OF INDIA*  
in English 22 Jun 90 pp 1, 20

[Article by M.D. Nalapat]

[Text] Bangalore, 21 Jun—The Deputy Prime Minister, Mr Devi Lal, says his visit to Bangalore was fixed a month ago and it had nothing to do with the National Development Council [NDC] meeting in Delhi.

"I had already conveyed my suggestions (on the NDC meeting) to the Prime Minister and there is no connection at all between my visit and the meeting," he said.

Mr Devi Lal, who is taking a week-long "rest cure" at the Institute of Naturopathy and Yogic Science here, yesterday had a two-hour-long meeting with the Janata

party treasurer, Mr Jayant Malhotra, and the Karnataka Janata Party leader, Mr H.D. Deve Gowda. Thereafter, he met the former Congress chief minister, Mr R. Gundu Rao. In between, he gave an exclusive 50-minute interview to *THE TIMES OF INDIA*. Excerpts:

[PATRIOT] Why did you make a sudden visit to Bangalore? Was it to avoid the NDC meeting that took place in Delhi the day after your arrival?

[Devi Lal] Not at all. My Bangalore programme had been fixed a month in advance, and as for the NDC meeting, I had already conveyed to Mr V.P. Singh my suggestions. There is thus no connection at all.

[PATRIOT] There is talk that you came here to avoid Mr Ramakrishna Hegde, who was at the NDC.

[Devi Lal] (laughs) Hegde is a good friend. We are in the same party. Why should I avoid him?

[PATRIOT] What do you feel about the performance of the government so far?

[Devi Lal] We have circulated the Janata Dal manifesto to all the departments, and have told the officials to keep this in mind while formulating policy. We are the only party to take our manifesto seriously.

[PATRIOT] Was it because of the manifesto that the Janata Dal won so many seats in the Lok Sabha or was it due to the personality of Mr V.P. Singh?

[Devi Lal] V.P. Singh's only plank was Bofors. If this was the big issue, then why did we do so badly in states like Maharashtra, Kerala and Tamil Nadu where too, the Bofors issue was constantly repeated?

[PATRIOT] Then what was the reason for the 1989 victory?

[Devi Lal] Haryana. Ever since I came to power in that state, farm loans were written off, pensions were given to unemployed youth and to those over 65, and Harijan women were paid Rs 300 for a first child and Rs 500 more for a second, provided the second was born after three years. In the north, the people knew about my achievements in Haryana, and therefore voted in huge numbers for my party. In places like Karnataka, where the emphasis was not on Haryana but on Bofors, we lost badly. Hegde talked of Bofors and got defeated.

[PATRIOT] But has not the leadership of Mr V.P. Singh been decisive in implementing policies?

[Devi Lal] Look, important policies such as loan waiver to kisans, spending 50 percent of plan outlay on the villagers rather than 25 percent at present, raise in procurement price to give more income to the farmers, all these were my policies. It was I who pushed for their implementation. Per quintal, there has been a rise of Rs 32 in the procurement price of wheat, Rs 115 in the case of mustard, Rs 30 for rice, Rs 80 for cotton and Rs 96 for chana. This is my achievement.

[PATRIOT] There is talk of political realignment.

[Devi Lal] What alignment?

[PATRIOT] You have been meeting leaders of other parties, such as the Janata. Is there the chance of the Janata Dal and the Janata Party coming together?

[Devi Lal] Yes. This is a natural process. In fact, there should be a coming together of all farmers to fight for their rights. All parties have farmers. There are 80 in the Congress, 117 in the Janata Dal, 31 in the BJP and 14 in the CPM [Marxist Communist Party]. All these MP [Member of Parliament]s should work together and finally combine on the great issue of kisan uplift.

In a small way this is already happening. The (constitutional) amendment to include land reforms in the Ninth Schedule was backed by even the Congress. I challenged Rajiv and the Sathe to walk out but they did not, knowing the mind of their farm-belt MPs.

[PATRIOT] Why do you always attack the press?

[Devi Lal] Because it is controlled by industrialists and capitalists who use it to destroy those who fight for the villagers. The press has double standards. It favours city dwellers and attacks those from the rural areas.

[PATRIOT] Can you give me an example?

[Devi Lal] Look at the way the press demanded the resignation of Om Prakash (Chautala) from the chief ministership, and look at its silence which Hegde has been indicted by a parliamentary probe and is yet not stepping down. Is this not a double standard?

[PATRIOT] What is your grouse against the Mandal Commission?

[Devi Lal] All that I want is that every farmer should be included in the Mandal Commission, as all farmers are backward.

The urban people are seeking to divide and rule by pitting the scheduled castes against the farmers. In reality they are one. Thus all should be clubbed together.

[PATRIOT] What about reservations?

[Devi Lal] I would like reservations to be increased to 60 percent rather than 50 percent, provided farmers are included. Also, just as there are reserved seats for scheduled castes in the villages, there should be reserved sets in the cities also. The only point is that such seats, whether in towns or villages, should be rotated.

Right from the constituent assembly, there has been a bias against the rural areas. Out of the 542 members of the constituent assembly, only five can be called farmers. Thus, a pro-urban bias was built up at the very beginning.

[PATRIOT] What do you feel about the present situation?

[Devi Lal] I am happy that at last farmers are coming to the top. Mulayam Singh is a farmer, as is Laloo Yadav, Chimanbhai Patel and Shekhawat. Even V.P. Singh is a farmer.

We are trying to solve problems, but it is not easy. The Congress has left us a horrible legacy, particularly in Punjab and Kashmir. But I am sure in time we will solve these and other problems. I am very hopeful about the future.

## Controversy Surrounds Government Economic Policy

### Policy Approved

46001722A Madras *THE HINDU* in English  
2 Jul 90 p 1

[Text] New Delhi, 1 Jul—The Government today made a serious effort to stop the rising crescendo of criticism of its industrial and economic policy and sought to put at rest fears that it was about to embark on a policy that would spell the end of a self-reliant economy.

At a well-attended meeting of the Council of Ministers chaired by the Prime Minister, Mr V.P. Singh—Mr Devi Lal, Deputy Prime Minister, was the only notable absentee—a two and half page statement on economic policy was adopted which strongly affirmed the Government's commitment to programmes outlined in the National Front manifesto and the approach to the Eighth Plan which has been approved by the National Development Council, and emphasised that its policies would aim at building a self-reliant economy.

After a 90-minute presentation on the state of the economy by Mr Madhu Dandavate, Finance Minister, the Council discussed the broad framework for an economic policy for about two hours, before the statement was adopted. While reiterating that priority would be given to employment generation, rural development and higher agricultural growth, it said that decentralisation and deregulation of the economy were considered necessary.

### Foreign Investment

On the crucial question of foreign investment, the Council said that foreign investment "will continue to be allowed within the framework of national priorities, especially for the purposes of modernisation, meeting critical gaps in technology and production and for boosting exports." It may be recalled that a paper prepared by Mr Montek Singh Ahluwalia, Economic Adviser, which was discussed at a meeting of a core group of secretaries recently generated a serious controversy about the direction likely to be given to the economy. It was being feared that "opening up" the economy would pave the way for a free entry to the multinationals.

The statement took note of the constraints imposed by the serious fiscal and external payment imbalances inherited by the Government, and it was felt that the budget deficit would have to be controlled as "otherwise all other plans and policies will be endangered." The external debt has been rising at an uncomfortable rate and the high budget deficit also made it difficult to close the gap in the balance of payments, the Ministers stated.

### Priorities

While noting that it was necessary to move away from bureaucratic regulation of industrial investment, which had become counter-productive, the Council reaffirmed that broadly 50 percent of the Plan resources would be devoted to agricultural and rural development, and that priority would be given to agro-based and small-scale industries.

The statement mentions the need to use the available resources with maximum efficiency, and endorses the effort to boost exports. In fact it said that strong export growth was essential for self-reliance and protecting national economic independence.

Unproductive expenditure at all levels was to be controlled and the Council recognised that the economy was functioning under serious constraints and required firm measures.

It is learnt that although Mr Devi Lal was absent the meeting was attended by almost all the Cabinet Ministers available in Delhi. Mr George Fernandes, Mr Ajit Singh, Mr Arun Nehru, Mr I.K. Gujral and the Deputy Chairman of the Planning Commission, Mr Ramakrishna Hegde, (who has since resigned his post) were present. Mr P. Upendra, Minister for Information and Broadcasting, and Mr Arif Mohammed Khan, Power Minister, were not in Delhi and could not attend.

Mr Dandavate's presentation took serious note of the increasing debt service payments, the trade deficit which had stabilised but was still too large, the emergence of a large deficit which would need to be checked through a series of steps, including cutting down on non-Plan expenditure and increasing government revenue through better tax collection and use of public sector surplus.

An official spokesman told presspersons that the meeting started around 11 am and for an hour and a half Mr Dandavate briefed on the state of the economy. Mr Dandavate apparently pointed out that during the Seventh Plan period although revenue receipts had been higher than estimated, the non-Plan expenditure was also higher and the result was that the Government relied on deficit financing and borrowing.

Stressing the need to move away from a large deficit, he suggested cutting down of non-Plan expenditure, increase in tax collection and using public sector surplus efficiently. He warned that otherwise the Government

would have to borrow more to meet the higher interest payments and it would become difficult to manage and control the growing deficit.

Reviewing the balance of payments position over the 80s, Mr Dandavate said that although export growth in the last four years had been good, it had not been enough. The trade deficit had stabilised, but was still too large for comfort and in the meantime debt service payments had increased. He categorically said the Government could not rely on external commercial borrowings to cover the gap in domestic savings.

He said that over the next four to five years the country would have to stabilise external debt and increase export earnings and normal capital flows to cover the import and other foreign exchange requirements.

### CPI-M Demands Review

46001722B Bombay *THE TIMES OF INDIA*  
in English 7 Jul 90 p 7

[Text] New Delhi, 6 Jul (PTI)—The CPM [Marxist Communist Party] today told the Prime Minister, Mr V.P. Singh, that the National Front government's new industrial policy would be "disastrous" and asked for a review of the "whole gamut of economic policy."

"The CPM considers that a correct orientation in economic policy is crucial to the National Front government's successful performance for fulfilling its pledges to the people," the party's general secretary, Mr E.M.S. Namboodiripad, said in a letter to the Prime Minister which was released to the press today.

"As well-wishers of your government, we urge you to review the whole gamut of economic policy. The present policy orientation announced will be disastrous," Mr Namboodiripad said in the four-page letter dated 5 July.

Voicing "strong disagreement" with the new industrial policy, Mr Namboodiripad also suggested that the Prime Minister could initiate discussions with the CPM and other concerned parties to formulate an economic policy which "truly serves the interest of the people and the country."

Describing the industrial policy as "pro-big business and detrimental to self-reliance," Mr Namboodiripad said the economic problems "inherited...due to the past policies of the Congress...cannot be cleared up...unless the drive for liberalisation and privatisation, which the Rajiv Government adopted under World Bank-IMF pressure is reversed."

He said the CPM had stated its objections to the industrial policy soon after it was announced, but "we now find that the Union cabinet has endorsed the policy statement... I wish to reiterate our (CPM's) strong disagreement with the direction set out in the industrial policy statement."

Mr Namboodiripad said that the "most objectionable part" of the policy statement was the clearance for foreign equity participation up to 40 percent on an automatic basis.

"This specially will lead to indiscriminate opening to foreign capital and undermine the drive for self-reliance. Neither will it help to acquire the foreign technology that we require in essential sectors," he said.

Mr Namboodiripad warned that the freedom to promote foreign equity participation outside the purview of FERA [Foreign Exchange Regulations Act] "may lead to further drain in foreign exchange resources and result in the worsening of the balance of payments position."

Noting that the policy would amount to "displacement of the real small scale sector," although the measures were "supposed to generate more employment," the CPI-M general secretary said this measure would "undermine national priorities and endanger self-reliance and indigenous research and development."

Mr Namboodiripad also pointed out that the decision to withdraw the system of licensing for investments up to Rs 25 crores in non-backward areas and up to Rs 75 crores in backward areas "will take 60 percent of the cases out of the purview of the licensing system."

"This will undermine the role of planning, which has already seen constant erosion in the past years. Such a policy will only benefit the big business houses and distort social priorities set out under the plan process," he said.

### More on CPI-M

46001722C New Delhi PATRIOT in English  
7 Jul 90 p 1

[Text] The Communist Party of India (Marxist) [CPI-M] has charged the Government with going 'against the very goals' set forth in the National Front's election manifesto.

In a letter to Prime Minister V.P. Singh, CPI-M general secretary E.M.S. Namboodiripad pointed out that the industrial policy 'does not reflect even some of the stated aims set out in the approach paper to the Eighth Plan.'

The Industrial Policy, the CPI-M general secretary said, 'goes against the goals set forth in the Front's election manifesto' like employment generation, abandonment of a pattern of industrial development which is skewed in favour of upper class and elite consumption, check on indiscriminate opening to multinational corporations and foreign capital.

Mr Namboodiripad described the announcement of the industrial policy statement on the eve of the NDC [National Development Council] meeting in June to approve the approach paper, as "a move to pre-empt the plan process and finalisation of its content."

Referring to the World Bank-IMF pressure and the U.S. threat for using Super 301 clause of the U.S. Trade Act against India, the CPI-M general secretary said, "the present orientation, as evident in the industrial policy statement and various other pronouncements of the Cabinet Ministers causes anxiety and concern."

Pointing out that a committee of secretaries had reportedly discussed a document prepared in the PMO's which 'unabashedly advocates the IMF-World Bank approach,' Mr Namboodiripad asserted that 'the CPI-M cannot support such a pro-big business and pro-MNC [Multinational Corporation] policies.'

In his letter, the CPI-M general secretary regretted that, despite a request by the MPs of the Left parties for modifications in the Finance Bill, nothing was done. The new industrial policy, he pointed out, would further 'worsen the conditions of the working people.'

Pleading for a review of the whole gamut of the economic policies of the National Front Government, the CPI-M general secretary warned that the 'present orientation would be disastrous.'

There has been a tremendous concentration of economic power in the hands of monopoly houses which the MRTP [Monopolies and Restrictive Trade Practices] Act had failed to check, however, Mr Namboodiripad said 'none of these serious problems have been addressed by the policy statement.'

Reiterating the strong disagreement with the direction set out in the industrial policy statement, the CPI-M general secretary said 'the most objectionable part of the policy is clearance for foreign equity participation up to 40 percent on an automatic basis.' This, he said, would lead to indiscriminate opening to foreign capital and undermine the drive for self-reliance.

Mr Namboodiripad also warned that unrestricted freedom to promote foreign equity participation outside the purview of FERA might lead to further drain in foreign exchange resources and result in the worsening of the balance of payments position.

Former Bihar Chief Minister Dr Jagannath Misra also criticised the new industrial policy and said it was diametrically opposite to the formulations of the eighth Plan.

In a statement on Friday, Dr Misra said, 'the policy reflects overall deviations from the old industrial policy of the Congress since the time of Pandit Jawaharlal Nehru.'

Sweeping liberalisation, he said, would move the nation away 'from any ideas of building a self-restraint society, geared to meet the needs of the Indian masses.'

It was sad to note, Dr Misra said, that the Government had succumbed to the World Bank package of liberalisation for the Third World.

### Chandra Shekhar Statement

46001722D Madras *THE HINDU* in English  
22 Jun 90 p 9

[Text] New Delhi, 21 Jun—In a sharp criticism of the Government's new industrial policy, the Janata Dal leader, Mr Chandra Shekhar, said today that it amounted to opening up the Indian economy to multinationals. The thrust of his attack was that it exposed the gap between the Government's public postures and actual practice.

"We have made bold statements that India would not take any decision under any foreign pressure, and yet we make basic changes in our industrial policy to open up the economy to multinationals," he said adding that this had implications for "our credibility and the future we want to build."

'Undue haste': In a long statement, released at a press conference here, Mr Chandra Shekhar said the policy smacked of undue haste and asked: "Is it a mere coincidence that the announcement was made on the last day of the (Budget) session (of Parliament) to beat the deadline set by the U.S. Government to pursue action under Super 301?" The thrust of the policy, he said, was towards what had come to be known as the "World Bank package of liberalisation for the Third World." The economy was proposed to be opened up for unrestricted entry of multinational corporations and for permitting technical collaborations on terms that would not only add to the country's foreign exchange burden, but also seriously affect its R&D efforts.

Seeing in it a prescription for the debt trap, the Janata Dal leader pointed out that historically acceptance of economic liberalisation by the Third World countries had led to "debt trap and unstable political systems. The philosophy of liberalisation is a negation of efforts at planned development in the Third World," he said stressing that India had deviated from its chosen path of long-term development "under pressure from the powerful."

'Curious' aspects: Two aspects of the policy struck him as curious: that (1) the foreign private capital and technology imports should have been restricted to only the small sectors and (2) why should multinationals be asked to operate in low priority and low technology items? He explained at length the implications of the multinationals operating in such areas and said it was naive to believe that the MNC [Multinational Corporation]s would earn net foreign exchange for India so as to reduce its foreign debt problem. The effect would be exactly the opposite, and a number of studies in India had shown that the MNCs and large corporations simply added to the foreign exchange burden.

In Mr Chandra Shekhar's opinion, the policy was worse than that of the erstwhile Congress(I) Government and indicated "continuity of the old policies towards the large sector." This was at odds with the official professions of

"good intentions for the growth of small, tiny and agro-industries." India could not afford to have an industrial policy that did not spell out the role of the public sector, he said regretting that it had become fashionable to denigrate the public sector without understanding its crucial role in planned development. True, the public sector enterprises suffered from a variety of problems but the effort should be to improve their performance instead of reducing their area of operation by "preaching privatisation and inviting multinationals."

'Main weaknesses': He saw the new policy on foreign collaborations as a "departure from the basic logic of technological self-reliance" and said that under it there would be no restrictions on such collaborations. "In one shot, the new policy would negate R&D efforts in a lot many places and product areas (and) more and more collaborations would be entered into for the sake of international brand names rather than for getting any advanced or new technology..." Identifying the main weaknesses of the policy, he said it would put brakes on employment generation; 'import intensity' of Indian industries would rise sharply; and the extent of unplanned industrial production would increase. In brief, the concept of national and plan priorities would lose all meaning.

Not something to scoff at: Replying to questions, Mr Chandra Shekhar said he had been constrained to make his views public after failing to get a reply from the Industry Minister to whom he had written. It was an important issue with a bearing on the future of the country. He categorically stated that he had not written to the Prime Minister. He said that the policies followed by India so far may not have yielded spectacular results but the overall performance had not been something to scoff at. 'Let's not try to experiment with that which a major part of the world has experienced to its own tragedy.'

His point was that he did not mind a particular industry being opened up for private investment but was certainly opposed to the idea of privatisation. Allowing collaborations in non-essential areas was harmful and seemed to be a hark back to the previous Government's policy. The same set of people who had been advising the Congress(I) regime appeared to be advising the present Government as well.

### IRAN

#### Phosphate Deal With Senegal; More Trade Proposed

90AF0430Z Dakar *LE SOLEIL* in French  
25 Jun 90 p 3

[Article by Jean Pires: "3 Billion CFA Franc Contract With Iran"]



[Text] The contract for the purchase of 200,000 tons of phosphate from Senegal (valued at almost 3 billion CFA [African Financial Community] francs) is one of the most important economic agreements concluded between our country and Iran during the past 10 years.

This contract—which is valid through 1990—is being implemented under favorable conditions, inasmuch as the fourth trainload of approximately 34,000 tons of phosphate was loaded last Saturday aboard the “Sea Transporter,” a ship chartered by the Iranian contracting party. As was emphasized on this occasion by Abdi Abyanhe Hossein, “this agreement accurately represents Iran’s desire to continue the development of its relations with Senegal, and especially its trade relations.”

Iran’s ambassador expressed the desire to expand relations between Teheran and Dakar at the economic and political levels and also the humanitarian levels. The fraternal relations between the “two brother nations” were also symbolized by raising the national flags of Iran and Senegal on the mast of the ship “Sea Transporter,” which was moored at Pier 8 to load the phosphate.

In the company of Souty Toure, chief administrative aide to the minister of industrial development and crafts, several officials of the Senegalese Phosphates Company of Taiba (CSPT) witnessed the shipment of this fourth trainload to Iran. Prominent among them were Assistant General Manager Bernard Fanton D’Andon, Production Manager Babacar Diagne, and Secretary General Alasane Diallo. Souty Toure expressed the view that the day’s ceremony served to strengthen the bonds of cooperation between Senegal and Iran.

Speaking on behalf of the minister of industrial development, M.S. Toure expressed the ministry’s readiness—and the CSPT’s determination—to fulfill the commitment made to deliver the phosphate to Iran, and especially their desire to increase the volume of exports of this ore to Iran and also to expand relations with that country. M.S. Toure did not neglect to offer his sincere condolences to Ambassador Abdi Abyanhe at a moment when Iran is in deep mourning as a consequence of the tragic earthquakes that have occurred in that country in recent days.

## PAKISTAN

### **Egalitarian Economic System Seen Outlined by Zakat**

90AS0203A Karachi DAWN in English 22 Jun 90 p 7

[Article by Dr Ziaul Haque: “Quran’s Economic Teachings”]

[Text] The Quran was revealed to Prophet Muhammad (peace be upon him) in a gradual process extending over a time span of almost 23 years, A.D. 610 to 632, in a

pre-feudal, tribal-pastoral milieu of the Hijaz. To apprehend this social and historical context of the Quranic revelations pertaining to economic teachings, some basic propositions are necessary.

First, local elements and situational problems of transitional nature are intermixed with universal truths and eternal principles. The universal element transcends the local and makes it timeless. Secondly, socio-economic problems are inseparably intertwined with the religious, theological, metaphysical, philosophical and moral issues since religion and theology were tied with social and economic reality at both intellectual and practical planes. Thirdly, the society or community in which the Quran was revealed in the context of a struggle between the forces of goodness and evil, equality and iniquity, freedom and bondage, was peculiarly a slave-owning society in which worker-slaves were in the main the property of the rich merchants, lords and usurers.

As a reform movement or revolutionary struggle Islam was essentially a revolt against inequality and slavery in all its forms. This was the main reason which attracted the slaves, workers, artisans, orphans, widows and youngmen as early converts to this great movement of egalitarianism.

What was the fundamental economic (hence social and moral) problem which the Quran faced in the early decades of 7th Century A.D.? This tribal society was characterised by the predominance of a barter system where money economy was not developed. In a developed money economy (like a modern money economy of Western type) money becomes a measure of value and standard of payment in obligations and contracts. In barter there was lack of any abstract measure or standard of value, since it was ruled by caprice, force, conflict and even war. Clever bargaining, fraud and cheating become common without a common measure and without morals.

From ancient times barter and exchange of goods between tribes and communities have played crucial roles. Whatever was produced by a tribe or community and was not consumed locally, that is, surplus over subsistence was exchanged for other’s goods. Exchange is a broad term which not only includes exchange of things and goods against each other but it also covers factors of production (labour, land, capital, skill etc.) which although not developed as in a modern money economy, fetched an exchange value/price in whatever way they may be conceived and defined. For example, worker-slave was not a free labourer: he was himself a property of his master, therefore he was not paid any wage. Nor land was a saleable or marketable commodity. Whatever the concepts of these factors of production in a barter system, exchange was a crucial problem and a basis of the socio-economic structure.

What is a just exchange, and ipso facto what is a just price of one thing in terms of another? What is a just wage? Or in other words, what should determine the

recompense of the labour of a worker, a tiller, a carpenter, a blacksmith or a teacher? Unless these important questions are not answered in an unequivocal way by any society or community, no clear line can be drawn between just and unjust, right and wrong, legitimate and illegitimate deal or transaction. This, stand of just exchange, just bargain of equivalent values runs through the entire teaching of the Quran.

The stability and viability of a society depend on just exchange in which equivalent thing is exchanged against an equivalent thing, in weight, measure and value:

"Woe to those that deal in fraud," so condemns the Quran those who engage in unjust exchanges, "those who, when they have to receive by measure, from people, exact full measure; but when they have to give by measure or weight to people, give less than due. Do they not think that they will be called to account on a Mighty Day—a Day when all mankind will stand before the Lord of the Worlds"? (83:1-6).

Riba was also an unequal exchange which was not confined [to] the sphere of loans and credits but had permeated to other areas, to agriculture, trade and commerce. The rich merchant-usurers who were also lords, judges and masters loaned to the needy, money, cattle or grains on exorbitant rates of interest, literally called Riba (increase). This increase also occurred in agriculture when they used to buy crops and fruits many years in advance. According to the Quran, these powerful usurers confiscated the goods and substances of the poor who could not repay their debts. (2:275-280, 4:161)

Unequal exchanges and speculative transactions had become so common that ribawi or usurious sales were generally taken as a rule rather than exception. When the Quran attacked Riba as an unjust and unequal exchange, the merchant-usurers retorted: "Every exchange is like Riba" (2:75). This was a factual statement which meant that before the advent of Islam unequal exchange was the main source of exploitation and Riba was one of unjust exchanges.

In the pre-feudal society, slaves, workers and artisans had no rights. They were generally exploited and deprived of their due shares and wages. Like unequal exchange no concept of just wage could develop in this inequalitarian society. In a Meccan Surah (al-Quran, 68) the Quran illustrates the inherent nature of unjust exchanges of commodities and actors of production by the parable of Ashab al-Jannah, 'People of the Garden.' The Garden represents the given social product, yield, fruit or crop, the result of the joint labour of so many workers. This produce is the source of subsistence for the entire community. But, the parable says that the entire produce is appropriate by the powerful owners through intrigue and conspiracy. This is actually a reference to the powerful oligarchy of Qureshi merchants, lords and priests who oppressed and exploited the poor through a deceitful regimen of unequal exchanges:

"Verily We have tried them (the Qureshi merchants and lords) as We tried the People of the Garden when they resolved together the fruits (of the Garden) in the morning, but made no reservation (to the will of God). So there came on it a visitation from thy Lord (which swept away) all around, while they were asleep. So (the Garden) became by the morning, like a dark and desolate place (whose fruit had been gathered). As the morning broke, they called out, one to another: 'Go ye to your tilth (betimes) in the morning if you would gather the fruits. So they departed, conversing in secret low tones (saying): 'Let not a single indigent (Miskin) person break in upon you into (the Garden) this day.' And they opened the morning strong in an (unjust) resolve. But when they saw (the Garden), they said: 'We have surely lost our way; indeed we are shut out (of the fruits of our labour)'!.... (68:17-32).

The moral lesson of this parable is that, a socio-economic order in which the workers are exploited, deprived of their due share in the social wealth and are reduced to penury and destitution through force and fraud by the powerful owners, cannot last for long because of internal weaknesses, jealousy and hatred. Arrogance and oppression of the possessing classes create animosity, mistrust and discontent among the working classes.

The early commentators of the Quran explain the 'people of the Garden' in various ways. For some they were Ethiopian landlords. Their father owned a fruit-garden and he used to feed the poor with the crop. When he died his sons inherited the garden. They denied the crop-shares to the poor and thought that their father was foolish who squandered their wealth on feeding the poor. Others say that the landowner was an old man. He used to withhold a part of the crop for his family's subsistence and used to distribute whatever was surplus among the indigent. When he died his sons conspired and deprived the poor of their due shares in the produce. (Tabari, Tafsir, Vol 29, p 19).

Whoever was the owner, one thing is clear: the owners tried to deny the basic necessities to the indigent. In the pre-feudal times, the workers who tilled the soil and did other menial jobs were not different from the slaves. These workers, as it still happened in Eastern villages, gathered around the crop at the time of its harvest to get their subsistence. The workers, the needy, orphans and widows also received their shares. It is interesting to know that Miskin is a person who does not possess anything except his labour-power. It is a generic term which not only includes orphans and widows, the destitute and the needy but also slaves and workers who are not paid their wages. The 'people of the Porch,' Ashab al-Suffa, who did not possess anything were all Miskins. Bilal, Suhayb, Ammar ibn Yasir, Abd Allah ibn Masud, and Salman, the Persian, were all former slaves. These workers qua workers and slaves, were denied their due shares and wages by their non-Muslim owners. Workers and slaves were synonymous names in the prefeudal Arab society.

After the Islamic revolution, the believers were exhorted to feed such worker-slaves, because, according to the Quran, true believers are those who feed the indigent (miskin), the orphan and the captive for the Love of God" (76:8). [quotations as received] "They respect their trusts, and in their wealth and goods (Amwal) there is a recognised right (Haqq) for the needy and the deprived." (70:24-25). "Seest thou one who denies the Judgement (to come)? Then such is the man who repulses the orphan and encourages not the feeding of the indigent, Miskin" (107:1-3). "But he (man) hath made no haste on the path that is steep. And what will explain to thee the path that is steep?—(It is) freeing the bondman, or the giving of food in a day of privation, to the orphan with claims of relationship, or to the indigent (Miskin) down in the dust." (90:11-16).

Another important verse of the Quran, while describing general weaknesses of human nature, of boastful human arrogance in prosperity and dejection in suffering and adversity, explains that men reap whatever they sow: They bear the consequences of perpetrating injustices and tyrannies on the weak and the disprivileged. "Now, as for man, when his Lord trieth him, giving him honour and gifts, then sayeth he, (puffed up), 'my Lord hath honoured me.' But when He trieth him, restricting his subsistence for him, then saith he (in despair), 'my Lord hath humiliated me!' Nay, nay! But ye honour not the orphans! Nor do ye encourage one another to feed the poor (Miskin). And ye devour inheritance—all with greed. And ye love wealth with inordinate love! (89:15-20).

The basic normative principle for the Muslims, the believers in truth, equality and justice, was laid down by the Quran in terms of an equal exchange: "O ye faithful! devour not your wealth among yourselves through unjust means, unless it be on the basis of an agreed upon trade pact between you; and do not commit suicide (by devouring of wealth through unequal exchanges). (4:29-32).

In a subsistence society where there was not enough to eat, people were perplexed as to what they should keep for their own subsistence and what to spare for others—the slaves, workers, the needy and the poor who had nothing to eat. When they asked the Prophet as to what they should spend. The Quran replied that they should give to the poor and the needy whatever was surplus (al-Afw) over their basic needs. (2:219).

This Quranic concept of spending economic surplus over basic needs and necessities (food etc.) in a subsistence economy or society is an extremely important concept. The nature of economic surplus and basic needs may change from a tribal-pastoral economy to an agricultural-industrial economy.

The crucial problem is the creation of a collective or social fund out of this surplus to be used to ameliorate the condition of the less privileged through a systematic organisation and plan.

The Quranic message is that in a just economic order of just and equal exchanges the labour of workers and peasants must be compensated in such a way as to meet their basic needs and necessities of food, clothing, housing, employment and medical care.

A stable social and economic order is based on justice and equality. If social wealth, produced by all the people, is spent on the development of an exclusive class of the privileged by depriving the real workers then such an order cannot be viable. In this context the concept of Zakat cannot be interpreted as a charity, but must be taken in the sense of an egalitarian economic system based on a collective social fund to cater for the needs of all without any exception.

### Commentary Views Kashmir Policy 'Flaw'

90AS0287A Karachi DAWN in English 16 Jul 90 p 7

[Article by Ayaz Amir]

[Text] "The idea of an independent Kashmir will have dangerous consequences for the region."—PM Bhutto (May 24)

For all their differences over Kashmir, India and Pakistan are agreed on one thing: they are not prepared to countenance an independent Kashmir. For India, at some stage, an independent Kashmir may be a less dangerous option than a Kashmir annexed to Pakistan. But for Pakistan the idea of an independent Kashmir, anchored neither in India nor Pakistan, is a dangerous heresy.

Pakistani policy-makers can be rational about other aspects of the Kashmir dispute but mention the possibility of independence for the state and they go red in the face. This is not a possibility mentioned in the United Nations resolutions on Kashmir. And so, even though those resolutions now are not worth the paper they are written on, expect not the Pakistani officials mind to stray from the beaten track. What it has been schooled to follow it will follow regardless of consequences. Which is one major reason why Pakistan is finding it so difficult to come to terms with the emerging realities in Afghanistan. But this is a digression.

Pakistan's historic stand on Kashmir has been that there should be a referendum in the disputed state to let the Kashmiris decide whether they want to join India or Pakistan. The UN resolutions on the subject endorse this stand. Jawaharlal Nehru also at one point accepted it. Nevertheless, this stand has become outdated with the passage of time. We stopped taking the UN resolutions seriously after we lost the 1971 war with India. Why should we expect the world to feign an interest that we ourselves do not feel?

Whether the Simla Accord has, as India insists, superseded the early UN resolutions is beside the point. When Pakistan at Simla agreed to settle the Kashmir dispute by peaceful means and agreed also to keep it within a

bilateral framework, it was effectively washing its hands of the whole business. This was the quid for the pro quo of India vacating our territory and releasing our prisoners. Those pundits and arm-chair friends of the Kashmiris, who now read an innocuous meaning into the Simla Accord, are guilty of rewriting history.

As a reflection of what had tacitly been acknowledged at Simla, Pakistan began taking a soft line on Kashmir. Bhutto made only token noises about the dispute. Zia did not take the trouble to do even that. During all of the eleven and a half years that he was at the helm of affairs, tension between India and Pakistan erupted over several issues; the Siachen Glacier, the situation in East Punjab, Operation Brasstacks—never over Kashmir. After the signing of the Simla Accord Pakistan kept mouthing the appropriate clichés on Kashmir whenever the need arose. But there was no burning heat or sincerity in those references. Nor in the eighteen years since the signing of the accord has Pakistan taken the Kashmir dispute to the United Nations. Indeed, under General Zia Pakistan, with American help, was busy liberating Afghanistan from alien domination. The thought of liberating Kashmir never entered anyone's mind.

No wonder when mass protests broke out in occupied Kashmir earlier this year, Pakistan was taken by surprise. A popular uprising in Kashmir was part of no one's calculation—neither in GHQ nor in the Foreign Office. It, therefore, took some time for Pakistan to recover its equanimity and fashion a suitable response. Even so, the noises that sounded across the land initially were for domestic consumption rather than the benefit of the Kashmiris. Both the government and the opposition were out to prove that each was more patriotic (and chauvinistic on Kashmir) than the other.

Still, how many people in Pakistan have coolly considered what the Kashmiris are fighting for? For the privilege of being allowed to link their destiny with Pakistan's? Not very likely. Kashmiris were beholden to Pakistan when Pakistan was fighting their fight for them. But the history of the past forty years having taught the Kashmiris that Pakistan could not do much for them, they have taken their destiny into their own hands. And with their blood have forced an apathetic world to look afresh at their wounds and their plight. Without the Intifada no one would have given much thought to the Palestinians. Without the uprising in Kashmir no one would have cared much for the Kashmiris.

The Kashmiris certainly look to Pakistan but for encouragement and support. In the way the Vietnamese looked to the Russians and the Chinese when they were battling the Americans. Or the way the Afghans looked to us when they were fighting the Russians. No more than the Vietnamese or the Afghans would the Kashmiris be willing to hand over their freedom to someone else at the price of their blood usually know what to do with their freedom. Who knows the Kashmiris may opt to join Pakistan of their own accord. But that is for them to say, not for Pakistan to preempt. For when Pakistan insists

that the only option before the Kashmiris is to join India or Pakistan, it is being presumptuous and imperialistic. It is a comfortless doctrine of self-determination that denies full freedom to a people. It is like telling the Palestinians that the only choice before them is to join Israel or Jordan. Would they be getting their heads broken for that dubious privilege?

There is only so much in material terms that Pakistan can do for the Kashmiris. Crossing a certain line carries the risk of war with India. And most people in authority in Pakistan get cold feet when they contemplate that possibility. Pakistan risked Soviet animosity in Afghanistan because it had American support. But beyond a point it cannot risk Indian animosity in Kashmir because America has made it plain that in case of war Pakistan will be left naked to the elements. That is a serious warning for the Pakistani establishment, for it takes American warnings more seriously than the Ten Commandments.

With these severe limits on material support for the Kashmiris, the best that Pakistan can do is to give them what moral support it can. Nothing would be more effective under the circumstances than introducing the ingredient now missing from the Kashmir boiling-pot: an independent state for the Kashmiris. This will galvanize the freedom struggle across the Line of Control and make Pakistan's support for the Kashmiri cause more disinterested than it is. If the Jammu and Kashmir Liberation Front or anyone else wants to set up a provisional government, that should be their business. If India or any outside power takes umbrage as a result, we should tell them to talk to the Kashmiris. Kashmir should no longer remain a hostage to the totality of India-Pakistan relations. The Kashmiris have proved they can walk by themselves. It is not for Pakistan to hobble them with unwanted crutches.

There are, however, two objections to this course of action. First, that such a stand will negate the United Nations resolutions on Kashmir. To which the simple answer is that those resolutions already stand negated by time and circumstance. Legal positions, while important in their own way, become irrelevant when facts on the ground change. Second, that this will lead to uncontrollable consequences in the region. Perhaps, but for whom? It is India with its multitude of nations that stands to lose the most if the principle of self-determination is applied to one of its existing territories. Pakistan need fear nothing on that account. If it does, on the grounds that giving the Kashmiris the chance to opt for freedom may encourage the Sindhis and the Balochis to do the same, then it should quit playing this charade altogether. For nations afraid of getting their fingers burnt have no right to play with fire. But these are cowardly counsels. Pakistan paid what tribute it had to at the altar of balkanisation when East Pakistan went its own way. What remains of Pakistan, for all the folly of its civil and military rulers, rests on sturdier foundations.

**SRI LANKA****Tamils Criticized for Resigning From Parliament**

90AS0298B Colombo *THE ISLAND* in English  
25 Jul 90 p 8

[Text] The resignation of 13 MPs of the Eelavar Democratic Front [EDF] on Tuesday is a setback for all those who had been trying hard to get Tamil militant groups into the political mainstream. Perhaps it was inevitable that once the conflict commenced between LTTE [Liberation Tigers of Tamil Eelam] and the Sri Lankan armed forces, the allies of the Tigers would have pulled out of the political mainstream. Past events have proved that Mr Velupillai Prabhakaran and his cronies are no respectors of parliamentary etiquette.

The MPs who have resigned are protesting against what they call the "unleashing of the military forces to oppress the Tamil people" by the government. Reiterating arguments and facts about who unleashed the forces of violence on 11 June will be futile because the MPs and the country are now well aware of the circumstances and identities about who commenced murderous attacks on police stations and security camps.

What the ex-MPs should now consider is whether their political party or the Tamil people stand to gain anything by their resignations. Will, even the LTTE stand to profit by that move, even in their propaganda efforts? The

Parliament in fact could have been used as a sounding board to express their views and take on the arguments of the government and other political parties.

Now the LTTE has to make its opinion known through their propaganda centres in foreign capitals. While such propaganda centres did make an impression prior to the advent of the Indian Peace Keeping Force since then their credibility has been diminishing fast. Sans the Indian megaphone, the Tiger growls have become faint. Thus the LTTE and their allies have lost a place—the floor of the Sri Lanka Parliament—form which they could have hurled their denunciations. We are by no means lamenting that the LTTE has adopted wrong propaganda strategies. Our contention is that the Sri Lanka Parliament should be a place where all views of political opinion should be voiced and could have been a meeting place for persons with such diverse opinions.

Fortunately, the constitution provides an opportunity for the EDF to appoint another set of MPs. A spokesman however, has said that they were not in a hurry to fill up vacancies. The MPs have given the prime reason for their resignations as the government attempting a military solution instead of a political solution. By eliminating a direct dialogue with other political parties in Parliament, they are by no means helping in the realisation of a negotiated political settlement which they are calling for.